



REPORTS & FINANCIAL STATEMENTS

Report of the Managing Director and the Chief Financial Officer

02 December 2021

The Board of Directors
IIDFC Limited

Subject: Declaration on Financial Statements for the year ended on 31 December 2020.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMR-RCD/2006-158/207/Admin/80, dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of IIDFC Limited for the year ended on 31 December 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- i) We have reviewed the financial statements for the year ended on 31 December 2020 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sd/-
Md. Golam Sarwar Bhuiyan
Managing Director

Sd/-
Lingkon Mondal, FCA
EVP- Chief Financial Officer



**Independent Auditor's Report
and
Audited Consolidated and Separate Financial Statements
of
Industrial and Infrastructure Development Finance Company Limited (IIDFCL).
As at and for the year ended 31 December 2020**

Independent Auditor's Report

To the Shareholders of Industrial and Infrastructure Development Finance Company Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Industrial and Infrastructure Development Finance Company Limited and its subsidiaries (the "Group") as well as the separate financial statements of Industrial and Infrastructure Development Finance Company Limited (the "Company"), which comprise the consolidated and separate balance sheets as at 31 December 2020 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 31 December 2020, and of its consolidated and separate financial performance and of its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 02.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Measurement of provision for loans and advances	
<p>The process for estimating the provision loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p>	<p>We tested the design and operating for effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none">• Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process.• Identification of loss events, including early warning and default warning indicators.• Reviewed quarterly Classification of Loans (CL).

Risk	Our response to the risk
<p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end the Company reported total gross loans and advances of BDT 15,272,371,452 (2019: BDT 18,908,807,903) and provision for loans and advances of BDT 804,254,455 (2019: BDT 757,137,429).</p>	<p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions. • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

Risk	Our response to the risk
Legal and regulatory matters	
<p>We focused on this area because the Company and its subsidiaries (the “Group”) operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group’s best estimate for existing legal matters that have a probable and estimable impact on the Group’s financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group’s key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Group’s internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group’s provisions and contingent liabilities disclosure.</p>

Risk	Our response to the risk
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Group’s IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Group’s periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

Risk	Our response to the risk
	Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Company in accordance with IFRSs as explained in note 02, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

- (iv) the expenditures incurred were for the purpose of the Company's business for the year;
- (v) the financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- (ix) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) taxes and other duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- (xi) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiv) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- (xv) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1,201 person hours for the audit of the books and accounts of the Company;
- (xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvii) the Company has complied with the Financial Institutions Act, 1993 in preparing these financial statements; and
- (xviii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Name of Firm :

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor :

Name of the Auditor :

Syed Mahmud Ahmad FCA
Senior Partner

Enrolment No.

586

DVC : 2112150586AS218510

Dhaka, 15 December 2021

Industrial and Infrastructure Development Finance Company Limited

Consolidated Balance Sheet

As at 31 December 2020

	Notes	2020	2019
		BDT	BDT
PROPERTY & ASSETS			
Cash			
In Hand (including foreign currencies)	3.a	55,591	57,711
Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies)		112,172,320	177,275,664
		112,227,911	177,333,375
Balance with Other Banks and Financial Institutions			
Inside Bangladesh	4.a	816,649,237	888,721,800
Outside Bangladesh		-	-
		816,649,237	888,721,800
Money at Call and Short Notice			
	5	-	-
Investments			
Government	6.a	-	-
Others		1,069,803,296	1,063,387,353
		1,069,803,296	1,063,387,353
Loans & Advances			
Lease Receivables	7.a	1,973,962,239	2,268,262,576
Advance for Lease Finance		64,339,980	66,448,175
Direct/ Term Finance		12,528,643,630	15,939,703,867
Secured Overdraft		33,047,599	9,147,811
Bills Discounted and Purchased		98,616,851	37,097,428
Margin Loans		2,394,645,273	2,343,177,259
		17,093,255,572	20,663,837,116
Fixed assets including premises, furniture & fixtures etc.			
	8.a	78,757,044	44,860,036
Other Assets			
	9.a	2,005,228,153	1,748,958,456
Non-banking assets			
	10	12,287,820	-
Total Assets			
		21,188,209,033	24,587,098,136
LIABILITIES & CAPITAL			
Borrowings from other banks, financial institutions & agen			
	11.a	5,549,341,748	6,359,673,230
Deposits & Other Accounts			
	12.a	-	-
Current Deposits & Other Accounts, etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		10,211,531,784	12,707,981,706
Bearer Certificate of Deposits		-	-
Other Deposits		2,366,560	2,366,560
		10,213,898,344	12,710,348,266
Other Liabilities			
	13.a	3,222,941,184	3,230,980,579
Total Liabilities			
		18,986,181,276	22,301,002,074
Capital/ Shareholders' Equity			
Paid up Capital	14	1,737,770,680	1,308,000,000
Statutory Reserve	15	371,950,483	371,950,482
General Reserve	16.a	67,800,000	67,800,000
Share Money Deposit	17	-	310,809,600
Stock Dividend	18.a	-	117,720,000
Retained Earnings	19.a	24,354,513	109,664,078
Total Equity attributable to Shareholder of the Company		2,201,875,676	2,285,944,161
Non-controlling Interest			
	19.a.3	152,081	151,901
Total Liabilities & Shareholders' Equity			
		21,188,209,033	24,587,098,136

Industrial and Infrastructure Development Finance Company Limited

Consolidated Balance Sheet

As at 31 December 2020

	Notes	2020 BDT	2019 BDT
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Letters of guarantee	20	203,549,122	203,549,122
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		203,549,122	203,549,122
Others commitments:			
Money at call and short notice		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
		203,549,122	203,549,122
Total off-balance sheet items including contingent liabilities		203,549,122	203,549,122

The annexed notes 1 to 45 form an integral part of these financial statements

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Name of Firm :

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor :

Name of the Auditor :

Syed Mahmud Ahmad FCA
Senior Partner
586

Enrolment No. :

DVC : 2112150586AS218510

Dhaka, 15 December 2021

Industrial and Infrastructure Development Finance Company Limited

Consolidated Profit and Loss Account For the year ended 31 December 2020

	Notes	2020 BDT	2019 BDT
A. OPERATING INCOME			
Interest income	21.a	1,972,317,738	2,541,045,561
Interest paid on deposits, borrowings etc.	22.a	(1,778,410,567)	(1,768,153,938)
Net interest income		193,907,171	772,891,623
Income from investment	23.a	43,691,563	42,596,121
Commission, exchange and brokerage	24.a	92,228,681	55,762,484
Other operating income	25.a	33,619,975	17,186,031
Total operating income		363,447,390	888,436,259
B. OPERATING EXPENSES			
Salaries & allowances	26.a	216,103,788	235,485,026
Rent, taxes, insurance, electricity etc.	27.a	19,305,563	47,683,367
Legal expenses	28.a	6,134,572	7,753,345
Postage, stamp, telecommunications etc.	29.a	5,499,328	5,249,644
Stationery, printing, advertisement etc.	30.a	4,033,219	5,075,742
Managing director's salary and fees	31	6,853,981	7,791,837
Directors' fees	32.a	830,000	960,400
Auditor's fees	33.a	776,250	776,250
Loans & advances written-off	34.a	20,968,297	7,798
Repair, depreciation and amortization of company's assets	35.a	33,233,380	16,633,470
Other expenses	36.a	46,996,492	47,080,071
Total operating expenses		360,734,870	374,496,950
C. Profit/(Loss) before provision (A-B)		2,712,520	513,939,309
D. Provision for loans & advances	37.a		
Specific provision		126,932,081	333,887,318
General provision		(7,729,766)	(1,492,742)
Provision for diminution in value of investments		(48,324,978)	83,521,449
Other provision		-	-
Total provision		70,877,337	415,916,025
E. Profit/(Loss) before taxes (C-D)		(68,164,817)	98,023,284
F. Provision for tax:			
Current tax	38.a	19,556,695	63,175,944
Deferred tax		(2,412,126)	(95,188)
Total provision		17,144,569	63,080,756
G. Profit/(Loss) after taxes (E-F)		(85,309,386)	34,942,529
Attributable to:			
Shareholders of the company		(85,322,311)	34,941,656
Non-controlling interest		12,925	873
		(85,309,386)	34,942,529
Less: Appropriations			
Statutory reserve		-	5,241,850
General reserve		-	1,000,000
		-	6,241,850
Retained surplus/(Deficit)		(85,309,386)	28,700,679
Earnings per share (EPS)	39.a	(0.49)	0.27

The annexed notes 1 to 45 form an integral part of these financial statements

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Name of Firm :

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor :

Name of the Auditor :

Syed Mahmud Ahmad FCA
Senior Partner

Enrolment No. :

586

DVC : 2112150586AS218510

Dhaka, 15 December 2021

Industrial and Infrastructure Development Finance Company Limited

Consolidated Cash Flow Statement For the year ended 31 December 2020

	2020	2019
	BDT	BDT
A CASH FLOW FROM OPERATING ACTIVITIES		
Interest receipts in cash	1,996,725,789	2,566,671,410
Interest payments in cash	(1,845,030,611)	(2,194,150,336)
Dividend receipts in cash	19,250,916	22,544,215
Cash payments to employees	(209,728,907)	(229,451,317)
Cash payments to suppliers	(7,012,691)	(7,609,317)
Income taxes paid	(60,604,174)	(59,240,190)
Receipts from other operating activities	132,356,336	91,756,742
Payments for other operating activities	(76,452,497)	(105,770,804)
Cash generated from operating activities	(50,495,839)	84,750,404
Increase/(Decrease) in operating assets and liabilities		
Statutory deposits		
Loans and advances	3,584,968,437	862,935,545
Changes in other assets	(246,062,576)	(607,760,293)
Borrowings from other banks	(824,106,622)	885,781,262
Borrowings from other corporate and financial institutions	(1,750,554,747)	(781,410,718)
Deposits from customers	(799,118,995)	(1,300,444,568)
Changes in other liabilities	(13,131,804)	161,813,191
	(48,006,307)	(779,085,581)
Net cash (used in)/from operating activities	(98,502,146)	(694,335,177)
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	406,601,979	250,237,172
Payments for purchase of securities	(442,905,389)	(330,229,528)
Purchase of property, plant and equipment	(4,378,085)	(18,749,226)
Payment against lease obligation	-	-
Proceeds from sale of property, plant and equipment	764,534	1,331,013
Net cash used in investing activities	(39,916,961)	(97,410,569)
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Share Money Deposit	1,241,080	187,698,640
Net cash from/(used in) financing activities	1,241,080	187,698,640
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	(137,178,027)	(604,047,107)
E Effects of exchange rate changes on cash and cash equivalents	-	-
F Cash and cash equivalents at beginning of the year	1,066,055,175	1,670,102,281
G Cash and cash equivalents at end of the year (D+E+F)	928,877,148	1,066,055,175
Cash and cash equivalents at end of the year		
Cash in hand	55,591	57,711
Balance with Bangladesh Bank and its agent bank(s)	112,172,320	177,275,664
Balance with other banks and financial institutions	816,649,237	888,721,800
Money at call and short notice	-	-
	928,877,148	1,066,055,175

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Name of Firm :

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor :

Name of the Auditor :

Syed Mahmud Ahmad FCA
Senior Partner
586

Enrolment No. :

DVC : 2112150586AS218510

Dhaka, 15 December 2021

Industrial and Infrastructure Development Finance Company Limited

Consolidated Statement of Changes in Equity For the year ended 31 December 2020

Particulars	Amount in BDT							
	Paid-up Capital	Statutory Reserve	General Reserve	Retained Earnings	Proposed Stock Dividend	Share Money Deposit	Non-controlling Interest	Total
Balance as on 1 January 2020	1,308,000,000	371,950,483	67,800,000	109,664,077	117,720,000	310,809,600	151,901	2,286,096,062
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	1,308,000,000	371,950,483	67,800,000	109,664,078	117,720,000	310,809,600	151,901	2,286,096,062
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	(85,309,386)	-	-	-	(85,309,386)
Share Money Deposit	-	-	-	-	-	1,241,080	-	1,241,080
Right Share Issue	312,050,680	-	-	-	-	(312,050,680)	-	-
Transfer to Non-controlling Interest (NCI)	-	-	-	(179)	-	-	180	-
Dividend (Stock 2018)	117,720,000	-	-	-	(117,720,000)	-	-	-
Transferred to statutory reserve	-	-	-	-	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	1,737,770,680	371,950,483	67,800,000	24,354,512	-	-	152,081	2,202,027,757

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Name of Firm :

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor :

Syed Mahmud Ahmad FCA
Senior Partner
586

Name of the Auditor :

Enrolment No. :

DVC : 2112150586AS218510

Dhaka, 15 December 2021

Industrial and Infrastructure Development Finance Company Limited

Balance Sheet As at 31 December 2020

	Notes	2020 BDT	2019 BDT
PROPERTY & ASSETS			
Cash	3		
In Hand (including foreign currencies)		4,597	7,463
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		-	-
		112,172,320	177,275,664
		112,176,917	177,283,127
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		666,594,745	671,932,857
Outside Bangladesh		-	-
		666,594,745	671,932,857
Money at Call and Short Notice	5	-	-
Investments	6		
Government		-	-
Others		677,827,534	659,724,965
		677,827,534	659,724,965
Loans & Advances	7		
Lease Receivables		1,973,962,239	2,268,262,576
Advance for Lease Finance		64,339,980	66,448,175
Direct/ Term Finance		13,102,404,783	16,527,851,913
Secured Overdraft		33,047,599	9,147,811
Bills Discounted and Purchased		98,616,851	37,097,428
		15,272,371,452	18,908,807,903
Fixed assets including premises, furniture & fixtures etc.	8	75,506,128	41,816,181
Other Assets	9	3,227,334,214	2,957,496,371
Non-Banking Assets	10	12,287,820	-
Total Assets		20,044,098,810	23,417,061,404
LIABILITIES & CAPITAL			
Borrowings from other banks, financial institutions & agents	11	5,522,107,909	6,346,214,531
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		10,211,531,784	12,707,981,706
Bearer Certificate of Deposits		-	-
Other Deposits		2,366,560	2,366,560
		10,213,898,344	12,710,348,266
Other Liabilities	13	2,203,930,518	2,168,947,183
Total Liabilities		17,939,936,771	21,225,509,980
Capital/ Shareholders' Equity			
Paid-up Capital	14	1,737,770,680	1,308,000,000
Statutory Reserve	15	371,950,483	371,950,483
General Reserve	16	50,800,000	50,800,000
Share Money Deposit	17	-	310,809,600
Proposed Stock Dividend	18	-	117,720,000
Retained Earnings	19	(56,359,124)	32,271,341
Total Shareholders' Equity		2,104,162,039	2,191,551,424
Total Liabilities & Shareholders' Equity		20,044,098,810	23,417,061,404

Industrial and Infrastructure Development Finance Company Limited

Balance Sheet As at 31 December 2020

OFF-BALANCE SHEET ITEMS	Notes	2020	2019
		BDT	BDT
Contingent liabilities	20		
Letters of guarantee		203,549,122	203,549,122
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		203,549,122	203,549,122
Others commitments:			
Money at call and short notice		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-balance sheet items including contingent liabilities		203,549,122	203,549,122

The annexed notes 1 to 45 form an integral part of these financial statements

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Name of Firm :

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor :

Name of the Auditor :

Syed Mahmud Ahmad FCA
Senior Partner
586

Enrolment No. :

DVC : 2112150586AS218510

Dhaka, 15 December 2021

Industrial and Infrastructure Development Finance Company Limited

Profit and Loss Account For the year ended 31 December 2020

	Notes	2020 BDT	2019 BDT
A. OPERATING INCOME			
Interest income	21	1,951,500,767	2,496,909,474
Interest paid on deposits, borrowings etc.	22	(1,776,917,850)	(1,767,162,412)
Net interest income		174,582,917	729,747,062
Income from investment	23	25,856,102	29,044,925
Commission, exchange and brokerage	24	-	-
Other operating income	25	30,089,753	16,252,526
Total operating income		230,528,772	775,044,513
B. OPERATING EXPENSES			
Salaries & allowances	26	172,203,670	184,435,083
Rent, taxes, insurance, electricity etc.	27	4,659,667	29,966,616
Legal expenses	28	4,839,771	6,448,760
Postage, stamp, telecommunications etc.	29	3,502,939	3,170,415
Stationery, printing, advertisement etc.	30	3,509,752	4,438,902
Managing director's salary and fees	31	6,853,981	7,791,837
Directors' fees	32	632,000	678,400
Auditor's fees	33	454,250	454,250
Repair, depreciation and amortization of company's assets	35	29,693,209	14,261,265
Other expenses	36	22,870,320	31,710,227
Total operating expenses		249,219,559	283,355,755
C. Profit/ (Loss) before provision (A-B)		(18,690,787)	491,688,759
D. Provision for loans & advances	37		
Specific provision		121,401,836	333,887,318
General provision		(7,729,766)	(1,492,742)
Provision for diminution in value of investments	12.1	(43,521,190)	82,982,292
Total provision		70,150,880	415,376,868
E. Profit before taxes (C-D)		(88,841,667)	76,311,891
F. Provision for tax			
Current tax	38	2,000,000	50,000,000
Deferred tax	38.1	(2,211,202)	102,642
Total provision		(211,202)	50,102,642
Profit after tax		(88,630,465)	26,209,249
Less: Appropriations			
Statutory reserve		-	5,241,850
General reserve		-	1,000,000
		-	6,241,850
Retained surplus/(Deficit)		(88,630,465)	19,967,399
Earnings per share (EPS)	39	(0.51)	0.20

The annexed notes 1 to 45 form an integral part of these financial statements

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Name of Firm :

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor :

Name of the Auditor :

Syed Mahmud Ahmad FCA
Senior Partner
586

Enrolment No. :

DVC : 2112150586AS218510

Dhaka, 15 December 2021

Industrial and Infrastructure Development Finance Company Limited

Cash Flow Statement For the year ended 31 December 2020

	2020	2019
	BDT	BDT
A CASH FLOW FROM OPERATING ACTIVITIES:		
Interest receipts in cash	1,932,761,299	2,475,528,199
Interest payments in cash	(1,828,170,326)	(2,129,490,590)
Dividend receipts in cash	8,030,163	12,023,003
Cash payments to employees	(179,057,651)	(192,226,920)
Cash payments to suppliers	(7,012,691)	(7,609,317)
Income taxes paid	(43,727,075)	(46,654,821)
Receipts from other operating activities	47,915,692	33,274,448
Payments for other operating activities	(34,040,659)	(70,595,418)
Cash generated from operating activities	(103,301,248)	74,248,585
Increase/(decrease) in operating assets and liabilities		
Statutory deposits		
Loans and advances	-	-
Loans and advances to other customers	3,636,436,451	705,914,414
Changes in other assets	(269,837,844)	(654,326,886)
Borrowings from Other Banks	(824,106,622)	885,781,262
Borrowings from other Corporate & FIs	(1,707,533,569)	(703,240,971)
Deposits from customers	(788,916,352)	(1,271,027,540)
Changes in other liabilities	34,983,335	159,284,687
	81,025,399	(877,615,034)
Net Cash from Operating Activities	(22,275,849)	(803,366,449)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Investments In Subsidiary	-	-
Proceeds from sale of securities	406,601,979	250,237,172
Payments for purchase of securities	(454,592,015)	(313,278,647)
Purchase of property, plant and equipment	(2,179,517)	(17,071,825)
Payment against lease obligation	-	-
Proceeds from sale of property, plant and equipment	760,000	1,332,642
Net cash used in investing activities	(49,409,553)	(78,780,658)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend paid	-	-
Share Money Deposit	1,241,080	187,698,640
Net cash from financing activities	1,241,080	187,698,640
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	(70,444,322)	(694,448,466)
E Effects of exchange rate changes on cash and cash equivalents	-	-
F Cash and cash equivalents at beginning of the year	849,215,984	1,543,664,450
G Cash and cash equivalents at end of the year (D+E+F)	778,771,662	849,215,984
Cash and cash equivalents at end of the year		
Cash in hand	4,597	7,463
Balance with Bangladesh Bank and its agent bank(s)	112,172,320	177,275,664
Balance with other banks and financial institutions	666,594,745	671,932,857
Money at call and short notice	-	-
	778,771,662	849,215,984

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Name of Firm :

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor :

Name of the Auditor :

Syed Mahmud Ahmad FCA
Senior Partner

Enrolment No. :

586

DVC : 2112150586AS218510

Dhaka, 15 December 2021

Industrial and Infrastructure Development Finance Company Limited

Statement of Changes in Equity For the year ended 31 December 2020

Particulars	Amount in BDT						
	Paid-up Capital	Statutory Reserve	General Reserve	Retained Earnings	Proposed Stock Dividend	Share Money Deposits	Total
Balance as on 1 January 2020	1,308,000,000	371,950,483	50,800,000	32,271,341	117,720,000	310,809,600	2,191,551,424
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	1,308,000,000	371,950,483	50,800,000	32,271,341	117,720,000	310,809,600	2,191,551,424
Share Money Deposit	-	-	-	-	-	1,241,080	1,241,080
Right Share Issue	312,050,680	-	-	-	-	(312,050,680)	-
Net profit for the year	-	-	-	(88,630,465)	-	-	(88,630,465)
Dividend (Stock 2018)	117,720,000	-	-	-	(117,720,000)	-	-
Transferred to statutory reserve	-	-	-	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-	-
Balance as at 31 December 2020	1,737,770,680	371,950,483	50,800,000	(56,359,124)	-	-	2,104,162,039

Sd/-
Chairman

Sd/-
Director

Name of Firm :

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor :

Name of the Auditor :

Syed Mahmud Ahmad FCA
Senior Partner
586

Enrolment No. :

DVC : 2112150586AS218510

Dhaka, 15 December 2021

Sd/-
Managing Director

Sd/-
Company Secretary

Industrial and Infrastructure Development Finance Company Limited

Liquidity Statement For the year ended 31 December 2020

Particulars	Amount in BDT					
	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	Total
ASSETS:						
Cash	4,597	-	-	-	-	4,597
Balances with Bangladesh Bank	112,172,320	-	-	-	-	112,172,320
Balances with other Banks	252,819,665	189,664,325	159,162,666	64,948,089	-	666,594,745
Money at Call and on Short Notice	-	-	-	-	-	-
Investments	239,392,285	154,899,545	179,183,175	104,352,529	-	677,827,534
Loans and Advances	1,211,365,840	3,635,906,433	5,652,361,020	3,525,568,064	1,247,170,094	15,272,371,452
Property, Plant & Equipment	5,356,353	16,991,724	32,276,925	20,881,126	-	75,506,128
Other Assets	269,879,423	525,860,866	1,087,597,918	691,018,758	652,977,249	3,227,334,214
Non-Banking Assets	-	-	-	12,287,820	-	12,287,820
Total assets	2,090,990,484	4,523,322,893	7,110,581,705	4,419,056,385	1,900,147,343	20,044,098,810
LIABILITIES:						
Borrowing from other banks, Fin. Ins. & Agents	1,361,856,375	1,338,134,098	1,398,889,781	456,649,876	966,577,779	5,522,107,909
Deposit and other accounts	556,673,438	2,636,392,318	4,042,717,591	2,620,823,913	357,291,084	10,213,898,344
Provision and other liabilities	142,397,533	429,640,060	495,053,927	320,616,947	816,222,052	2,203,930,518
Total liabilities	2,060,927,346	4,404,166,476	5,936,661,299	3,398,090,735	2,140,090,915	17,939,936,771
Net liquidity gap	30,063,138	119,156,417	1,173,920,406	1,020,965,650	(239,943,572)	2,104,162,039

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Name of Firm :

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor :

Syed Mahmud Ahmad FCA
Senior Partner
586

Name of the Auditor :

Enrolment No. :

DVC : 2112150586AS218510

Dhaka, 15 December 2021

Industrial and Infrastructure Development Finance Company Limited

Notes to the Consolidated and Separate Financial Statements

As at and for the year ended 31 December 2020

1.0 Reporting entity and its activities

1.01 Company's profile

Industrial and Infrastructure Development Finance Company (IIDFC) Limited, a public limited company was incorporated on 19th December, 2000 as a development financial institution to boost investment specially in the spectrum of industrial and infrastructure development. The Company was licensed by Bangladesh Bank on the 23rd January, 2001 to start financing business in Bangladesh. The registered office of the Company is situated at Chamber Building (6th & 7th Floor), 122-124, Motijheel C/A, Dhaka-1000, Bangladesh.

1.02 Principal activities and nature of operation

IIDFC offers financial services that include promotion and term financing of financially viable industrial undertakings & infrastructure projects, lease financing for all type of machineries and equipments including vehicles for industrial and commercial purposes, financial packaging for syndicated fund arrangement including cross-border syndication, acquisition or takeover of public sector enterprises, financial or otherwise, stated for privatization and SME financing. The Company is also involved in factoring finance, work-order finance, bill discounting and home loan etc.

1.03 Subsidiary companies

IIDFC Securities Limited

IIDFC Securities Limited (the Company), a wholly owned subsidiary company of Industrial and Infrastructure Development Finance Company (IIDFC) Limited was incorporated as a public limited company in Bangladesh bearing certificate of incorporation no. C-83521/10 dated 28/03/2010 under the Companies Act- 1994 having its registered office at PFI Tower (Level-3), 56-57, Dilkusha C/A, Dhaka-1000.

The main objectives of the Company for which it was established are to carry out of the business of securities management and stock brokerage, custodian services, investment and asset management, portfolio management, capital market operations and other non-banking financial services including advisory services, mergers and acquisitions, equity investment, joint venture sourcing, corporate finance and restructuring, financial and socio economic consultancy, corporate research and project, studies, privatization and other related services.

IIDFC Capital Limited

IIDFC Capital Limited (the Company) is a public company, limited by shares was incorporated in Bangladesh on 30th November 1995 vide certificate of incorporation no. C-H.C 2097 in the name of South Asia Capital Limited which was acquired by Industrial and Infrastructure Development Finance Company (IIDFC) Limited a non-banking financial institution on 10th December 2009 and renamed as IIDFC Capital Limited. The principal activities of the Company for which it was established include the business of issue management, portfolio management, corporate counselling, investment counselling, capital structuring, etc.

2.0 Basis of preparation and significant accounting policies

2.01 Basis of preparation

The Financial Statements have been prepared on the basis of going concern concept and basically on accrual method under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) and after due compliance with International Accounting Standards(IAS)/International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB-2017 dated 14 December 2017, the Financial Institution Act,1993, the Companies Act, 1994 and other applicable laws and regulations.

Statement of compliance

The consolidated financial statements and separate financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and investment in marketable securities which are recorded in cost price(Comparing with market value) in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, except the circumstances where local regulations differ, and the Companies Act, 1994, the Financial Institutions Act, 1993, Bangladesh Securities and Exchange Commission guidelines and other applicable laws and regulations.

The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated 23 December 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail. However, this departure with IFRS has been made by following all of the relevant provisions of IAS-1 and the details disclosures are given in Note-2.01.01 by following the provision of IAS-1 (Presentation of Financial Statements).

2.01.01 Disclosure of departure from few requirements of IFRS due to mandatory compliance of Bangladesh Bank s requirements

SL	Nature of departure	Title of IFRS/IAS	Treatment of IFRS/IAS	Treatment adopted as per Bangladesh Bank	Financial or presentation effect of the departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 Financial Instruments	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard/SMA loans) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	In Financial Statements, as at 31 December 2020, accumulated provision for leases, loans and advances stand at BDT 804.25 million
2	Valuation of Investments in quoted and unquoted shares	IFRS 9 Financial Instruments	Investment in shares falls either under at "fair value through profit/ loss (FVTPL)" or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year-end is taken to profit or loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular No. 08, dated 03 August 2002, DFIM Circular No. 02, January 31, 2012; investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year total market value of all shares are less than the cost price of all shares. In Financial Statement, as at 31 December 2020, Provision for diminution in value of investments stands BDT 87.92 million.
3	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 Financial Instruments	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	As at 31 December 2020, in Financial Statements interest suspense account was BDT 421.23 million whereas last year was Taka 368.35 million. This amount has been shown in other liabilities
4	Presentation of cash and cash equivalent	IAS 7 Statement of Cash Flows	Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.

5	Measurement of deferred tax asset	IAS 12 Income Tax	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against leases, loans and advances.
6	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements" IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 7 requires specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS-9. As such some disclosure and presentation requirements of IFRS 7 has not been made in the accounts.	Financial Statements of 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
7	Preparation of Statement of Cash Flows	IAS 7 Statement of Cash Flows	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements of 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
8	Current/ Non-current distinction	IAS-1 Presentation of Financial Statement	As per Para 60 of IAS-1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities	Financial Statements of 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained.

9	Off-balance sheet items	IAS 1 Presentation of Financial Statements	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements of 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
10	Impairment of Margin Loan (Loans and receivables)	IFRS 9 Financial Instruments	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMR-RCD/2009-193/196 dated 28 December 2016, and BSEC/S-R/policy/3/2020/68 dated 12 January 2020, provisions for the unrealized loss of margin loan to be kept by 31 December 2022.	There is no such impact for this. However, we have been maintaining provision for unrealized loss (if any) of margin loan in the portfolio at higher rate than the requirement.
11	Complete set of financial statements	IAS 1 Presentation of Financial Statements	As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) statement of liquidity, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements of 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
12	Intangible asset	IAS 1 Presentation of Financial Statements	As per IAS 1: "Presentation of Financial Statements" para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. However, we present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	Financial Statements for 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
13	Other comprehensive income	IAS 1 Presentation of Financial Statements	As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	Financial Statements of 2020 and corresponding year 2019 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.
14	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account	Financial Statements of 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

2.01.02 Investments in shares and securities

As per requirements of IFRS-9 'Financial Instruments: Recognition and Measurement' investments in shares and securities generally falls either under "at fair value through Profit and Loss Account" or under "FVOCI (Fair Value through Other Comprehensive Income)" where any change in the fair value at the year-end is taken to Profit and Loss Account or Revaluation Reserve Account respectively.

Bangladesh Bank:

As per FID circular No. 08 dated 03 August 2002 & DFIM circular No. 02 dated 31 January 2012 of Bangladesh Bank investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited statements of financial position (balance sheet) respectively. Provision should be made for any loss arising from diminution in value of investments.

Relevant disclosure on departure has been presented in the note -2.01.01(2)

2.01.03 Provision on loans and advances

As per IFRS-9 'Financial Instruments' an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank:

As per FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans/special mention account) has to be maintained.

Relevant disclosure on departure has been presented in the note -2.01.01(1)

2.01.04 Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognize, measure and present financial instruments differently from those prescribed in IFR-9. As such some disclosure and presentation requirements of IFRS 7 'Financial Instruments: Disclosures' cannot be made in the accounts.

Relevant disclosure on departure has been presented in the note -2.01.01(6)

2.01.05 Financial guarantees

As per IFRS-9 financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated 23 December 2009, financial guarantees such as L/C, L/G will be treated as off balance sheet items. No liability is recognized for the guarantee except the cash margin.

2.01.06 Cash and cash equivalents

Cash and cash equivalents items should be reported as cash item as per IAS 7 'Statement of Cash Flows'.

Bangladesh Bank:

Some cash and cash equivalent items such as 'money at call and on short notice', T-bills, Prize bond are not shown as cash and cash equivalent. Money at call and on short notice is shown as face item in statement of financial position (Balance sheet) and T-bills, Prize bonds are shown in Investment.

2.01.07 Non-Banking assets

As per the requirements of DFIM circular No. 11 dated 23 December 2009, non-banking assets generally arises from non-payment of receivables (claims) by/from clients which is to be presented separately mentioning the holding period of each types of asset. Presented value of non banking assets will not be more than market price of them and income generating non banking assets will have to be presented separately in the Financial Statements.

2.01.08 Statement of cash flows

Statement of cash flows can be prepared either in "Direct Method" or "Indirect Method". The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated 23 December 2009, statement of cash flows is a mixture of direct and indirect method.

2.01.09 Balance with Bangladesh Bank (CRR)

Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank:

Balance with Bangladesh Bank is treated as cash and cash equivalents.

2.01.10 Off-balance sheet items

"There is no concept of off balance sheet items in any IFRS; hence there is no requirement of disclosure relating to such items.

Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated 23 December 2009, off balance sheet items e.g. L/C, L/G must be disclosed separately in the face of the statement financial position (balance sheet)."

2.01.11 Disclosure of appropriation of profit

"There is no requirement to show appropriation of profit in the face of the statement of comprehensive income.

Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated 23 December 2009, an appropriation of profit should be disclosed in the face of statement of comprehensive income."

2.01.12 Other comprehensive income

"As per IAS 1 'Presentation of Financial Statements', Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a separate Other Comprehensive Income (OCI) Statement.

Bangladesh Bank:

Bangladesh Bank has issued templates for financial statements which will strictly be followed by all financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income; and the elements of Other Comprehensive Income are also not allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the company does not prepare the Other Statement of Comprehensive Income. However elements of OCI, if any, are shown in the statement of changes in equity. "

Relevant disclosure on departure has been presented in the note -2.01.01(13)

2.01.13 Loans and advance net of provision

Loans and advances should be presented as net of provisions.

Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated 23 December 2009, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

[Also refer to Note-2.17 Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)]

Relevant disclosure on departure has been presented in the note -2.01.01(1)

2.02 Basis of consolidation

The financial statements of the company and its subsidiaries have been consolidated in accordance with International Financial Reporting Standards 10 'Consolidated Financial Statements'.

All intra-group balances, transactions, income and expenses are eliminated in full.

"Subsidiaries are fully consolidated from the date on which control is transferred to the company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The total profits of the company and its subsidiaries are shown in the consolidated Profit and Loss Account with the proportion of profit after taxation pertaining to minority shareholders being deducted as Non-controlling interest.

All Assets and Liabilities of the company and its subsidiaries are shown in the consolidated Balance Sheet. The interest of non-controlling shareholder of the subsidiaries are shown separately in the consolidated Balance Sheet under the heading Non-controlling interest. "

2.03 Integral components of financial statements

"The Financial Statements of the Company comprise of (As per DFIM Circular No. 11 dated 23 December 2009) the following components:

1. Consolidated and Separated balance sheet as at December 31, 2020;
2. Consolidated and Separated Profit and Loss A/C for the year ended December 31, 2020
3. Consolidated and Separated statement of Cash Flows for the year ended December 31, 2020;

4. Consolidated and Separated Statement of Changes in Equity for the year ended December 31, 2020;
5. Liquidity Statement as at December 31, 2020 &
6. Notes to the Consolidated and Separated Financial Statements for the year ended December 31, 2020. "

2.04 Use of estimate & judgments

"The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the Financial Statements.

Provisions and accrued expenses are recognized in the Financial Statements in line with the International Accounting Standard (IAS) No. 37 'Provisions, Contingent Liabilities and Contingent Assets' when:

- a) the company has a present obligation, legal or constructive result of a past event,
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which from the basis of making the judgments about carrying values of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised."

2.05 Statement of cash flows

The statement of cash flows has been prepared using the Direct Method as mentioned in line with International Accounting Standard 7 'Statement of cash flows'.

2.06 Consistency

In accordance with the IFRS framework for the presentation of Financial Statements together with International Accounting Standard 1 'Presentation of Financial Statements' and International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors', IIDFC Ltd. applies the accounting disclosure principles consistently from one period to the next.

2.07 Reporting period

These Financial Statements cover one calendar year from 01 January to 31 December 2020.

2.08 Presentation currencies

The figures of the financial statements are presented in Bangladeshi Currency (BDT) and have been rounded off to the nearest integer.

2.09 Books of accounts of branch (including Corporate Branch)

The Company has 7 (seven) branches including head office (principal branch) so far as on 31 December 2020. Books of Accounts of the branches are maintained at the Head Office of the Company.

2.10 Assets and basis of their valuation

2.10.01 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank highly liquid financial assets.

2.10.02 Investment in securities

Investment in marketable ordinary shares as well as investment in non-marketable shares have been shown at cost. Adequate provision for diminution in value of shares has been made as per Bangladesh Bank guidelines. Market value of securities has been determined on the basis of the value of securities at the last trading day of the period (last trading day for the year was 30 December 2020).

2.10.03 Loans, advances and provisions

Loans and advances are stated at gross amount. General provisions on unclassified loans and Off-Balance Sheet Items, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision is made on the basis of quarter end against classified loans and advances review by the management and instruction contained in FID Circular no. 08 dated 3 August 2002, FID circular no. 03 and dated 03 May 2006.

a) Interest on loans and advances

Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is calculated on unclassified loans and advances and recognized as income during the year. Interest on classified loans and advances is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank.

b) Provision for loans and advances

Provision for loans and advances are made on quarter basis as well as year-end review by management following instructions contained in FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2006 issued by Bangladesh Bank. General Provision on unclassified loans and advances and specific provision on classified loans & advances are maintained as per circular issued by Bangladesh Bank as mentioned above at the rate of 0.25% for standard-SME, 1% for standard, 5% for SMA, 20% for SS and 50% for DF and 100% for BL.

c) Presentation of loans and advances

Loans and advances are shown at gross amount as assets while interest suspense and loan loss provision against classified advances are shown as liabilities in the statement of financial position.

d) Write off loans and advances

As per FID Circular No. 03 dated 15 March 2007 & DFIM Circular No. 02 dated 01 April 2019 loans and advances/investments should be written off. These written off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.

e) Securities against loan

Lease Assets: Assets under the lease agreement is taken as security against lease.

Term Finance: Land, building, machineries and relevant assets are tried to be taken as security.

Working capital and trading loan: Goods are taken as security in the form of pledge and hypothecation along with land and building if any, as mortgage.

House building loan: Land and building are taken as security in the form of mortgage.

Overdraft: FDRs are taken as pledge against the loans taken by clients against their Fixed Deposits.

Public sector loan: In most cases Govt. Guarantee is taken and no other security is taken for government loan and agricultural.

2.10.04 Property, plant and equipment

2.10.04.01 Owned assets

Own property, plant and equipment are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs associated with bringing the assets to its working condition for its intended use as per International Accounting Standard 16 'Property, Plant and Equipment'.

2.10.04.02 Leased assets

Leasehold assets are accounted for as Finance Lease and capitalized at the inception of the lease at the fair value of the leased property or at the present value of the minimum lease payments, whichever is lower as per International Accounting Standard-17 & IFRS-16 'Leases'. The corresponding obligation under the lease is accounted for as Liability.

2.10.04.03 Subsequent expenditure on property, plant and equipment

Subsequent expenditure is capitalized only when it increases the future economic benefits from the assets. All other expenditures are recognized as an expense as and when they are incurred.

2.10.04.04 Depreciation on property, plant & equipment

Depreciation on fixed assets is charged consistently on straight-line method at following rates throughout the estimated useful life of the assets. On newly acquired assets depreciation is charged for the full year irrespective of date of acquisition while no depreciation is charged on the assets disposed of during the year.

Sl. No.	Category of Fixed assets	Rate of Depreciation
1	Motor vehicles	20%
2	Furniture & fixtures	10%
3	Office equipments	18%
4	Right-of-use Assets	Lease term

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the concerned asset and is recognized accordingly in the Statement of Comprehensive Income (Profit and Loss Account).

2.10.04.05 Intangible assets

The Company's intangible assets include the value of computer software.

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is presented as a separate line item in the statement of comprehensive income (profit and loss account).

Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives, like software is amortized over 5 years 6 months.

2.10.04.06 Other assets

Other assets include all other financial assets and fees and unrealized income receivable, advance for operating and capital expenditure and stocks of stationery and stamp. Details are shown in Note-9. Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

2.10.04.07 Non-banking assets

Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgage property. There are no assets acquired in exchange for loan during the period of financial statements.

2.10.04.08 Right-of- use assets (IFRS-16)

"IIDFC recognises a right of use asset and a lease liability from the beginning of 2020. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date (from the beginning of 2020) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

"The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date (from the beginning of 2020), discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, IIDFC's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in IIDFC's estimate of the amount expected to be payable under a residual value guarantee, or if IIDFC changes its assessment of whether it will exercise purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

2.11 Basis for valuation of liabilities and provisions

2.11.01 Provision for tax

a. Current tax

Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereof.

b. Deferred tax

The company has adopted a policy of recognition of deferred tax in accordance with International Accounting Standard 12 'Income Taxes'. Deferred tax is provided using the liability method for all temporary timing differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for tax purposes. The amount of deferred tax is determined at the effective income tax rate prevailing at the Balance Sheet date.

2.11.02 Employees' benefit obligation

Defined contribution plan

The Company started operating from January, 2003 an approved contributory provident fund scheme for its employees as per provident fund rules. The fund consists of subscription of all participatory employees and contribution from the company at a predetermined rate. The fund is administered by a Board of Trustees and invested separately from the Company's assets.

Defined benefit plan

The Company started operating from January, 2002 an approved gratuity scheme as per gratuity rules which is administered by a Board of Trustees and invested separately from the Company's assets.

Other benefit program for employees

The Company operates a group life insurance scheme for its permanent employees. The Company also has loan facilities at reduced rate for its permanent employees.

2.12 Write-off

Write-off describes a reduction in recognized value. It refers to recognized or the zero value of an assets. Generally it refers to an investment for which a return on the investment is now impossible or unlikely. The items potential returns is thus calculated and removed (written-off) from the balance sheet of the Company.

2.13 Capital and shareholders equity

2.13.01 Capital management

The company has a capital management process for measuring, deploying and monitoring its available capital and assessing its adequacy. This capital management process aims to achieve four major objectives; exceed regulatory thresholds and meet long-term internal capital targets, maintain strong credit rating, manage capital levels commensurate with the risk profile of the company and provide the company's shareholder with acceptable returns.

Capital is managed in accordance with the board approved capital management planning from time to time. Senior management develops the capital strategy and oversees the capital management planning of the company. The company's finance and risk management department are key to implementing the company's capital strategy and managing capital. Capital is managed using both regulatory control measure and internal matrix.

2.13.02 Paid-up capital

Paid up share capital represents total amount of share capital that has been paid in full by the ordinary shareholder. In the event of winding-up of the company, ordinary shareholder (s) rank after all other shareholders and creditors.

2.13.03 Statutory reserve

As per the Financial Institution Regulations 1994, every Non Banking Financial Institution (NBFI) is required to transfer at least 20% of its current year's profit after tax to the statutory reserve fund until such reserve fund equals to its paid up share capital and share premium (if any). To comply the above requirement, IIDFC transferred 20% of net profit to statutory reserve before declaration of dividend.

2.13.04 Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

2.14 Contingent liabilities and contingent assets

A contingent liability is –

Any possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or any present obligation that arises from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognized in the financial statements as this may result in the recognition of income which may never be realized.

2.15 Materiality, aggregation and off setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

The values of any asset or liability as shown in the statement of financial position (balance sheet) are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the year.

2.16 Revenue recognition

Revenue is only recognised when it meets the following five steps model framework.

- a) identify the contract (s) with a customers;
- b) identify the performance obligations in the contract;
- c) determine the transaction price;
- d) allocate the transaction price to the performance obligations in the contract;
- e) recognise revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognised on an accrual basis of accounting.

2.16.01 lease Income

Finance lease income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on net investment in the finance lease. The unearned lease income is recognised on instalment date as revenue on an accrual basis over the terms of the lease. However, lease income is not recognised if capital or interest receivable is in arrears for more than three months.

2.16.02 Income from direct finance

Direct finance operation consists of long term, short term and working capital finance, books of account for which are maintained based on the accrual method of accounting. Interest earnings from direct finance are recognized as operational revenue periodically.

Interest on real estate finance

Interest on real estate finance is recognised as revenue on an accrual basis and no interest on real estate finance is accounted for as revenue where any portion of capital or interest is in arrear for more than nine months.

Interest on term loans and short term finance

Interest on term loan and short term finance is recognised as revenue on an accrual basis and interest income on term loan is not recognised where any portion of interest is in arrear for more than three months.

2.16.03 Income from structured finance

Income from structured finance is recognized as and when received.

2.16.04 Income from treasury operations

Incomes from treasury operations are recognized on accrual basis.

2.16.05 Dividend income

Revenue is recognized when the Company's right to receive the payment is established, which is generally at the time of shareholders' approval date for payment of dividend.

2.16.06 Other operating income

Other operational income is recognized as and when received. Such income comprises of the following:

- a. Appraisal and documentation fees;
- b. Commitment fees;
- c. Supervision fees;
- d. Delinquent charge;
- e. Miscellaneous receipts;

f.Portfolio management fee

Portfolio management fees are recognised on the market value of the clients' portfolio on monthly basis and charged to client's balance on quarterly basis.

g.Issue management & Corporate advisory fee

Issue management and corporate advisory fees are recognised according to the stage of completion of services as agreed and defined in issue management and corporate advisory agreement between company and clients.

h.Brokerage commission

Brokerage commission is recognised as income when selling or buying order is signed and trade is executed.

i. Profit or loss on sale of securities and

Profit or loss arising from the sale of securities is accounted for only when the securities are sold/offloaded.

j. Fee based revenues

Fees on services rendered by the company are recognised as and when services are rendered.

2.17 Interest accrual on loans and leases

Interest income on interest bearing loans and leases are recorded at the time of proceeds received from a particular company. Accrued interest on company loan and leases is accounted for on accrual basis in the Profit and Loss Account under at the implicit rate of interest.

2.18 Earnings per share

Earnings per shares is calculated by dividing the profit or loss attributable to ordinary shares of the IIDFC by the weighted average number of ordinary shares outstanding during the year. IIDFC calculates EPS in accordance with International Accounting Standard -33 'Earnings per Share' which has been shown in the profit and loss account.

Diluted Earnings per share is not applicable for the year as there is no scope for dilution during the year 2020.

2.19 Presentation of operating segments

The segment reporting of IIDFC as per IFRS 8 has been presented in Note -40 named "Operating Segment Report" as on reporting date.

2.20 Contingent assets & liabilities

Contingent Assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

2.21 Liquidity statements

As per DFIM circular No. 09 dated 20 October 2015 & DFIM circular No. 21 dated 20 December 2011 the liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the reporting period as per following bases:

- Balance with other company and financial institutions are on the basis of their maturity term;
- Investments are on the basis of their residual maturity term;
- Loans and Advances are on the basis of their repayment /maturity schedule;
- Property, plant and equipment are on the basis of their useful lives;
- Other assets are on the basis of their adjustments terms;
- Borrowings from other company and financial institutions are on the basis of their maturity/repayment schedule;
- Deposits and other accounts are on the basis of their maturity terms and past behavioural trends &
- Other liabilities are on the basis of their settlement terms.

2.22 Events after the reporting period

Events after the reporting period requires additional disclosures or adjustments based on material information about the company. As per International Accounting Standards IAS-10: 'Events after the reporting period' the events after the reporting date are reflected in the financial statements' note no. 44 .

2.23 Going concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the company be unable to continue as a going concern.

2.24 Compliance report on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

In addition to compliance with local regulatory requirements, in preparing the Consolidated Financial Statements and Separate Financial Statements, IIDFC applied following IAS and IFRS:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRS	IFRS No	Status
Share Based payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	Applied
Financial Instruments	9	Applied *
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied *
Revenue from Contracts with customers	15	Applied
Leases	16	Applied

N/A= Not applicable

* As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements.

2.25 Capital adequacy and market discipline

To cope with the international best practices and to make up the capital more risks sensitive as well as more shock resilient, a road map was issued in August 2010 on implementation of Basel Accord in the FIs. Being well pursuant with the road map, prudential guidelines namely 'Capital Adequacy and Market Discipline for Financial Institutions' had been introduced by Bangladesh Bank from December, 2011. The guidelines came into force from 1 January, 2012 with necessary supplements/revisions. Instructions in respect of Minimum Capital Requirement, Adequate Capital and Disclosures requirement as stated in the guidelines have been followed for the purpose of statutory compliance.

As per prudential guideline IIDFC calculated Minimum Capital Requirement (MCR) by dividing the total capital by the sum of risk weighted assets against credit risk, market risk, and operational risk under pillar-I.

Pillar I: Minimum capital requirement

Credit Risk

The calculation of capital requirement against credit risk is more elaborate and risk sensitive. The Accord gives a choice of some sophisticated approaches to address risks, and adoption of a Particular approach depends on the risk measurement capabilities and robustness of the systems in place in a Financial Institution. A Standardized Approach has been the preliminary choice of FIs for the credit risk calculation.

Market risk

Market risk is defined as the risk of losses in on and off-balance-sheet positions arising from movements in market prices. The risks subject to this requirement are:

- The risks pertaining to interest rate related instruments and equities in the trading book;
- Foreign exchange risk and commodities risk throughout the FI.

The capital charges for interest rate related instruments and equities applied to the current trading book items prudently valued by IIDFC. The capital charges for foreign exchange risk and for commodities risk applied to IIDFC's total currency and commodity positions, subject to some discretion to exclude structural foreign exchange positions.

Operational risk

The accord introduces for the first time a capital charge for operational risk. The framework presents three methods for calculating operational risk capital charges in a continuum of increasing complexity and risk sensitivity. These methods are the Basic Indicator approach (a fixed percentage of gross income amount), Standardized approach (sum of a certain percentage of FI's income in each business line) and Internal Measurement approach (Statistical measure of FIs operational loss based on its historical loss data). But initially, Basic Indicator Approach has been applied for calculating the capital charge against operational risk.

2.26 Stress testing

Stress Testing is an important risk management tool that is used by the Financial Institutions as part of internal risk management and through the Basel II capital adequacy framework, is promoted by Bangladesh Bank. Stress Testing alerts Financial Institutions management to adverse unexpected outcomes related to a variety of risks and provides an Indication of how much capital might be needed to absorb losses should large shock occur. Stress Testing supplements other risk management approaches and measures playing particularly important role in:

- Providing forward-looking assessment of risk;
- Overcoming limitations of models and historical data;
- Supporting external and internal communication;
- Feeding into capital and liquidity planning procedures;
- Informing the setting of an FI's risk tolerance; and
- Facilitating the development of risk mitigation or contingency plans across a range of stressed conditions.

Stress Testing guideline have been issued by Bangladesh Bank to provide a structured way of assessing the vulnerability of financial institutions to extreme but plausible market conditions. The guidelines enable institutions to accurately assess risk and define the "risk appetite" of the organization and also provide critical information to senior management for decision around capital allocation and contingency planning.

IIDFC exercise stress testing on its portfolio on quarterly basis and submit its stress testing report as per format prescribed by Bangladesh Bank on regular basis.

2.27 Financial risk management

IIDFC always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. A well structured and proactive risk management system is in place within the Company to address risks relating to credit, market, liquidity, operations and money laundering and terrorist financing. In addition to the industry best practices for assessing, identifying and measuring risks, IIDFC also considers guidelines for managing core risks of financial instructions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated 18 September 2005 for management of risks and, more recently, DFIM Circular No. 03 dated 24 January 2016.

Credit Risk

To encounter and mitigate credit risk the company employed multilayer approval process, policy for maximum exposure limit of sector or groups, policy for customers' assets maximum exposure limit, mandatory search for credit report from Credit Information Bureau, looking into payment performance of customer before financing, annual review of clients, adequate insurance coverage for funded assets, vigorous monitoring and follow up by Special Assets Management Team, strong follow up of compliance of credit policies by Internal Control and Compliance Department (ICCD), taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, regular review of market situation and industry exposure etc.

The Credit Appraisal Committee (CAC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CAC critically reviews projects from risk point of view. An independent Credit Risk Management Department is in place, at IIDFC, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets.

Market Risk

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. IIDFC has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit rating.

Liquidity Risk

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario, and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements, anticipated funding requirements from operation, current liquidity position, collections from financing, available sources of funds and risks and returns.

Operational Risk

Appropriate internal control measures are in place, at IIDFC, to address operational risks. IIDFC has also established an Operational Risk Management (ORM) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk. The function of the ORM department is to exercise constant vigilance against erosion of Shareholders' value by identifying, assessing, measuring and managing operational risk resulting from inadequate or failed internal processes, people and systems or from external events.

Money Laundering and Terrorist Financing Risk

In IIDFC, money laundering and terrorist financing risk takes two broad dimensions:

- (a). Business risk which is the risk that IIDFC may be used for money laundering or for the financing of terrorism and
- (b). Regulatory risk which is the risk that IIDFC fails to meet regulatory obligations under the Money Laundering Prevention Act, 2012 (subsequently amended in 2015) and the Anti-Terrorism Act, 2009 (subsequently amended in 2012 and 2013).

To mitigate the risks, IIDFC, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), has in place a strict compliance program consisting of the following components:

- (a). Internal policies, procedures and controls, which are continually updated as and when required, to identify and report instances of money laundering and terrorism financing;
- (b). A dedicated structure and sub-structure within the organisation, headed by a Central Compliance Unit (CCU), for proactively managing AML and CFT compliance;

- (c). Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLCO), to lead the CCU;
- (d). Independent audit functions, including internal and external audit, to test the programs;
- (e). Ongoing employee training programs.

Additional risks required to be addressed under regulatory requirements

DFIM Circular No.03 of 2016, introduced the Integrated Risk Management Guidelines for Financial Institutions ("the guidelines"). These guidelines supplement, and do not replace, existing risk management guidelines.

The Integrated Risk Management Guidelines for Financial Institutions specify a number of additional risks that financial institutions are now required to manage in a more structured manner. Key among these are

Strategic Risk

Strategic risk has been defined as the risk of possible losses that might arise from adverse business decisions, substandard execution and failure to respond properly to changes in the business environment. The guidelines set out the respective roles of the board of the directors, senior management and business units in managing strategic risks, identify the minimum steps to be followed in the strategic risk management process and also suggest measures for strategic risk control.

IIDFC has been managing strategic risks ever since its inception. This is evident from the constantly evolving business model of the company over the years. The company has a clear strategic vision as to what it wants to be and a mission statement that states what it will do to achieve its vision. Strategic issues are discussed at a variety of forums including meetings of the Management Committee and of the IIDFC Board. Over the past few years, a separate Strategic Planning department has been set up to assist senior management in this regard. The culmination of all these efforts are reflected in annual Strategy and Budget sessions, where the company sets out its plans for the next year. With the introduction of the new guidelines, more changes will be made to the strategic risk management process as and when required.

Compliance Risk

Compliance risk is defined as the current or prospective risk of legal sanction and/or material financial loss that an organisation may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best practice as well as from the possibility of incorrect interpretation of laws or regulations. The guidelines set out the respective roles of the board, senior management and compliance function units in managing compliance risks and also require formulation of a written compliance risk management policy.

Historically, IIDFC has always fostered a compliance oriented culture. This has been reinforced in a variety of ways, ranging from formal requirements to sign declarations of compliance with the IIDFC code of conduct (which requires compliance with the law & regulations) to repeated communications from senior management stressing the need to do business in a compliant manner. In general, compliance risk management is embedded in the day to day to business processes and practices of the company. Concerned departments are kept informed of latest legal and regulatory requirements by the ICC and Corporate Affairs departments. A consideration of compliance (or any potential non-compliance) with laws and regulations is a standard part of the company's regular decision making processes. Wherever deemed necessary, appropriate legal advice is sought from qualified internal and/or external legal counsel.

Reputation Risk

Reputation risk may be defined as the risk of loss arising from damages to an organization's reputation. The guidelines set out the respective roles of the Board and senior management in managing reputation risk and also require financial institutions to implement a sound and comprehensive risk management process to identify, monitor, control and report all reputational risks.

IIDFC has already established a set of non-financial reputational risk indicators and put in place a process for monitoring these and any other matters that might give rise to potential reputational risk issues. Till date, no material reputational risk issue involving the company has been identified.

Environmental & Social Risk

As the best financial brand in promoting sustainable business practices, IIDFC have adopted Environmental & Social Risk Management System as one of its integral parts of Credit Risk Assessment to compute environmental & social risks from our financial footprints. IIDFC is one of the front runners to add "Environmental & Social Management System (ESMS)" within its framework, a global standard to minimize environmental & social risks from the organizational activities.

	2020	2019
	BDT	BDT
3 Cash		
Cash in hand (Note 3.1)	4,597	7,463
Balance with Bangladesh Bank and its agent bank (Note 3.2)	112,172,320	177,275,664
Total	112,176,917	177,283,127
3.1 Cash in hand		
Cash in hand represents the amount under "imprest system of petty cash" to meet petty expenses both for head office as well as branch offices.		
3.2 Balance with Bangladesh Bank		
Balance with Bangladesh Bank is a non-interest bearing account maintained with Central Bank to meet the Cash Reserve Requirement (CRR). CRR (note 3.3) and Statutory Liquidity Reserve (note 3.4) have been calculated and maintained in accordance with The Financial Regulations 1994 and FID Circular No. 06 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004.		
3.3 Cash Reserve Requirement (CRR)		
Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Financial Institutions Act, 1993 & Financial Institutions Regulations, 1994, FID Circular No. 06, dated 06 November 2003, FID Circular No. 02 dated 10 November 2004, DFIM Circular Letter No. 01, dated 12 January 2017 and DFIM Circular Letter No. 03, dated 21 June 2020.		
CRR has been calculated at the rate of 1.50% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank in compliance with FID circular no. 6 dated 6th November, 2003, FID Circular No. 02 dated 10th November, 2004 and DFIM Circular Letter No. 03, dated 21 June 2020. Total Term Deposits means Term or Fixed Deposits, Security Deposit against Lease/Loan and other Term Deposits received from individuals and institutions (except Banks and Financial Institutions).		
Required reserve	84,306,010	169,634,250
Actual reserve held	112,172,320	177,275,664
Surplus / (Deficit)	27,866,310	7,641,414
3.4 Statutory Liquidity Reserve (SLR)		
SLR has been calculated at the rate of 5.00% of total demand and time liabilities, including CRR of 1.50% on Total Term Deposits. SLR is maintained in liquid assets in the form of Cash in Hand, balance with Bangladesh Bank, balance with other Banks & Financial Institutions, unencumbered Treasury Bills, Prize Bond, Savings Certificates & any other assets approved by Bangladesh Bank.		
Required reserve	328,355,640	378,908,847
Actual reserve held (Note-3.4.1)	369,924,336	406,863,299
Surplus / (Deficit)	41,568,696	27,954,452
3.4.1 Actual Reserve held for SLR		
Cash in hand	4,597	7,463
Balance with Bangladesh Bank and its agent bank(s)	112,172,320	177,275,664
Balance with other banks and financial institutions (Note-3.4.1.1)	257,747,419	229,580,172
	369,924,336	406,863,299
3.4.1.1 Balance with other banks and financial institutions (SLR)		
National Credit & Commerce Bank Ltd.	-	21,903,104
Social Islami Bank Ltd.	21,818,000	-
Standard Bank Limited	55,929,419	-
Modhumoti Bank Ltd.	-	10,370,500
Union Bank Ltd.	180,000,000	197,306,568
Total	257,747,419	229,580,172
3.a Consolidated cash		
IIDFCL	4,597	7,463
IIDFC Securities Limited	25,816	29,447
IIDFC Capital Limited	25,178	20,801
Sub-Total	55,591	57,711
Balance with Bangladesh Bank and its agent bank(s) (Note-3)	112,172,320	177,275,664
Total	112,227,911	177,333,375
4 Balance with other Banks and Financial Institutions		
Inside Bangladesh		
Current Accounts:		
National Credit & Commerce Bank Ltd.	2,822	434
Southeast Bank Ltd.	-	3,560
Social Islami Bank Ltd.	128	128
BRAC Bank Ltd.	-	2,775,341
Bank Alfalah Ltd.	-	21,220
Midland Bank	845	1,535
Trust Bank Ltd.	7,395	-
Commercial Bank of Ceylon PLC	-	27,697
Total	11,190	2,829,915

	2020	2019
	BDT	BDT
Short-Term Deposit Accounts		
Southeast Bank Ltd.	1,771,278	128,116
Social Islami Bank Ltd.	223,550	2,278
Bank Asia Ltd.	41,285,337	98,818,916
AB Bank Ltd.	3,057	3,057
The City Bank Ltd.	2,383	142,402
Janata Bank Ltd.	4	1,004
Pubali Bank Ltd.	10,433	27,378
ONE Bank Ltd.	27,127	28,962
Sonali Bank Ltd.	-	82,588
Total	43,323,169	99,234,701
Fixed Deposits Receipts (FDR Placement)		
Bangladesh Commerce Bank Ltd.	10,000,000	10,000,000
National Credit & Commerce Bank Ltd.	-	21,903,104
BRAC Bank EPL	70,000,000	-
Modhumoti Bank Limited	-	10,370,500
NRB Commercial Bank Ltd.	49,357,177	41,323,580
Union Bank Limited	322,028,956	334,065,760
Union Capital Limited	44,126,833	43,600,000
Standard Bank Limited	55,929,420	52,217,797
South Bangla Agriculture & Commerce Bank Limited	-	29,987,500
Fareast Finance & Investment	-	6,400,000
Social Islami Bank Ltd.	71,818,000	20,000,000
Total	623,260,386	569,868,241
Sub Total	666,594,745	671,932,857
<i>Outside Bangladesh</i>	-	-
Grand Total	666,594,745	671,932,857
4.1 Maturity grouping of Balance with other Banks and Financial Institutions		
On demand	253,219,338	254,844,253
Less than 3 months	189,964,158	191,183,163
More than 3 months but less than 1 year	159,414,280	160,437,246
More than 1 year but less than 5 years	63,996,969	65,468,195
Above 5 years	-	-
Total	666,594,745	671,932,857
4.a Consolidated Balance with other Banks and Financial Institutions		
IIDFCL	666,594,745	671,932,857
IIDFC Securities Limited (Note-4.a.1)	132,153,222	207,271,322
IIDFC Capital Limited (Note-4.a.2)	17,901,270	9,517,621
Total	816,649,237	888,721,800
4.a.1 IIDFC Securities Limited		
Southeast Bank Ltd.	188,250	1,379,745
NCC Bank Ltd.	1,954	16,351,711
IIDFC Ltd	-	20,000,000
One Bank Ltd.	131,963,018	169,539,866
Total	132,153,222	207,271,322
4.a.2 IIDFC Capital Limited		
Southeast Bank Ltd.	2,992,959	2,843,921
ONE Bank Ltd.	14,908,311	6,598,243
Bangladesh Commerce Bank Ltd.	-	75,457
Total	17,901,270	9,517,621
5 Money at Call and Short Notice		
Banks	-	-
Non-Bank Financial Institutions	-	-
Total	-	-
6 Investments		
Government Securities		
Treasury Bill	-	-
National Investment Bond	-	-
Bangladesh Bank Bill	-	-
Government Notes/ Bond	-	-
Prize Bond	-	-
Others	-	-
Sub Total	-	-

	2020	2019
	BDT	BDT
Other Investments		
Preference Shares	-	-
Debenture and Bond (Note-6.1)	58,000,000	54,750,000
Investments in Shares (Note-6.2)	607,328,034	604,974,965
Investments IPO (Note-6.3)	12,499,500	-
Gold etc.	-	-
Sub Total	677,827,534	659,724,965
Total investments	677,827,534	659,724,965
6.1 Debenture and Bond		
Opening Balance	54,750,000	52,500,000
Add: Addition/ adjustment during the year	4,250,000	5,750,000
Less: Adjustment during the year	1,000,000	3,500,000
Closing Balance	58,000,000	54,750,000
6.2 Investments in Shares		
Quoted Shares		
Bank Company	74,582,478	50,249,888
Non-Banking Company	36,341,025	36,981,624
Mutual Fund	4,665,290	31,917,816
Other Company	388,439,243	330,675,638
Total	504,028,036	449,824,966
Un-quoted Shares		
MTB Unit Fund	53,299,999	53,299,999
HFAML Unit Fund	50,000,000	51,850,000
IDLC Growth Fund	-	50,000,000
Total Investment in Shares	607,328,034	604,974,965
6.3 Investments IPO		
Mir Akter Hossain Limited	12,499,500	-
	12,499,500	-

6.4 Cost Price Vs Market Price of Quoted Investments

	31st December 2020		
	Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
Bank Company	74,582,478	60,292,809	14,289,669
Non-Banking Company	36,341,025	36,505,142	(164,117)
Mutual Fund	4,665,290	4,093,677	571,613
Other Company	388,439,243	315,210,993	73,228,250
Total	504,028,036	416,102,621	87,925,415

All investments in marketable securities are valued on an aggregate portfolio basis, at the lower of cost and market value as at 31st December 2020. At the end of the reporting year, total cost price of the listed securities was BDT. 504,028,036 where as the market price was BDT. 416,102,621 resulting a required provision of BDT. 87,925,415

6.5 Maturity grouping of Investments

On demand	237,891,288	232,998,896
Less than 3 months	153,928,320	150,762,682
More than 3 months but less than 1 year	182,309,691	174,397,775
More than 1 year but less than 5 years	103,698,235	101,565,612
Above 5 years	-	-
Total	677,827,534	659,724,965

6.a Consolidated Investments

IIDFCL	677,827,534	659,724,965
IIDFC Securities Limited (Note - 6.a.1)	301,440,583	349,321,890
IIDFC Capital Limited (Note - 6.a.2)	90,535,179	54,340,498
Total	1,069,803,296	1,063,387,353

	2020	2019
	BDT	BDT
6.a.1 Investment of IIDFC Securities Limited		
Quoted Shares		
Bank Company	88,072,267	88,906,018
Non-Banking Company	17,768,411	31,458,966
Insurance Company	16,602,567	23,541,959
Mutual Fund	5,705,402	28,698,463
Other Company	143,433,416	146,857,964
Total	271,582,063	319,463,370
Un-quoted Shares		
IAMCL2NDNRB Unit Fund	998,100	998,100
Dhaka Stock Exchange Limited	28,860,420	28,860,420
Total Investment in Shares	301,440,583	349,321,890

6.a.1.1 Cost Price Vs Market Price of Quoted Investments

	31st December 2020		
	Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
Bank Company	88,072,267	65,334,920	22,737,347
Non-Banking Company	17,768,411	19,168,385	(1,399,973)
Insurance Company	16,602,567	10,064,543	6,538,024
Mutual Fund	5,705,402	5,130,000	575,402
Other Company	143,433,416	112,004,165	31,429,251
Total	271,582,063	211,702,013	59,880,050

6.a.2 Investment of IIDFC Capital Limited

	31st December 2020		
	Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
Quoted Shares			
Bank Company		559,047	559,047
Non-Banking Company		21,579,921	8,042,351
Insurance Company		1,754,199	-
Mutual Fund		612,135	12,584,302
Other Company		66,029,877	33,154,798
Total		90,535,179	54,340,498
Un-quoted Shares			
		-	-
Total Investment in Shares		90,535,179	54,340,498

6.a.2.1 Cost Price Vs Market Price of Quoted Investments

	31st December 2020		
	Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
Bank Company	559,047	430,000	129,047
Non-Banking Company	21,579,921	21,360,340	219,581
Insurance Company	1,754,199	2,041,033	(286,834)
Mutual Fund	612,135	610,000	2,135
Other Company	66,029,877	55,927,930	10,101,947
Total	90,535,179	80,369,303	10,165,877

7 Loans & Advances

Inside Bangladesh:

Lease Receivables	12.93%	1,973,962,239	2,268,262,576
Advance for Lease Finance	0.42%	64,339,980	66,448,175
Total Lease Finance	13.35%	2,038,302,219	2,334,710,751
Direct/ Term Finance	85.79%	13,102,404,783	16,527,851,913
Secured Overdraft	0.22%	33,047,599	9,147,811
Bills Discounted and Purchased (Note-7.8)	0.65%	98,616,851	37,097,428
Total Other Finance	86.65%	13,234,069,233	16,574,097,152
Sub Total (Note-7.1)	100.00%	15,272,371,452	18,908,807,903

Outside Bangladesh:

Gross Lease Receivables	-	-	-
Less: Unearned Lease Income	-	-	-
Net Investment	-	-	-
Advance for Lease Finance	-	-	-
Direct/ Term Finance	-	-	-
Secured Overdraft	-	-	-
Factoring Finance	-	-	-
Margin Loan	-	-	-
Sub Total	-	-	-
Total	100.00%	15,272,371,452	18,908,807,903

		2020	2019
		BDT	BDT
7.1 Details of Loans & Advances			
Lease Finance			
Corporate Clients	6.10%	931,590,691	1,046,088,643
Small & Medium Enterprises (SME)	7.25%	1,106,711,529	1,288,622,108
Sub Total	13.35%	2,038,302,220	2,334,710,751
Direct / term finance			
Syndication Finance	16.08%	2,455,406,175	2,037,667,042
Corporate clients	41.47%	6,333,251,506	9,399,386,152
Small & Medium Enterprises (SME)	24.62%	3,760,517,233	4,478,905,959
Home Loan	3.41%	521,079,231	574,320,866
Bills Discounted and Purchased	0.65%	98,616,851	37,097,428
Secured Overdraft	0.22%	33,047,599	9,147,811
Employee Loan	0.21%	32,150,638	37,571,895
Sub Total	86.65%	13,234,069,232	16,574,097,152
Grand Total	100%	15,272,371,452	18,908,807,903
7.2 Maturity grouping of loans & advances			
On demand		1,211,365,840	1,499,798,773
Less than 3 months		3,635,906,433	4,501,635,946
More than 3 months but less than 1 year		5,652,361,020	6,998,219,567
More than 1 year but less than 5 years		3,525,568,064	4,365,025,398
Above 5 years		1,247,170,094	1,544,128,219
Total		15,272,371,452	18,908,807,903
7.3 Sector/ Industry-wise Loans & Advances			
Agricultural sector	3.94%	601,113,264	691,168,883
Industrial sector:			
Textiles	8.69%	1,327,092,003	1,144,052,285
Garments	14.69%	2,243,125,080	2,691,424,851
Jutes & jute related goods	3.77%	575,374,405	597,230,487
Food items producer/processing industry	3.26%	498,553,283	639,945,522
Plastic industries	4.45%	679,104,942	708,275,992
Lather and lather goods	0.33%	51,073,580	52,871,876
Iron, steel and engineering	5.91%	902,906,410	1,511,632,761
Chemicals and pharmaceuticals	2.03%	309,411,565	757,599,215
Cement/ clinker and allied industries	2.23%	340,596,412	328,686,754
Service sector (Hotel, hospital, clinic, tourism, etc.)	1.37%	209,621,580	277,093,460
Paper, printing and packaging	1.72%	261,989,554	274,374,315
Telecommunication and IT industries	7.25%	1,107,520,631	1,247,141,601
Glass and ceramic industries	0.86%	131,633,310	152,424,778
Shipping and ship building industries	0.00%	-	-
Electronics and electrical goods	5.75%	878,060,559	1,154,072,815
Power, gas, water and sanitary	3.97%	606,049,642	886,141,097
Transport and communication	3.76%	574,021,427	661,286,597
Real estate and housing	5.17%	789,602,774	859,674,220
Merchant banking	6.64%	1,014,518,068	2,022,437,891
Others	14.22%	2,171,002,962	2,251,272,502
Total	100.00%	15,272,371,452	18,908,807,903
7.4 Geographical Location-wise Loans & Advances			
Inside Bangladesh			
Dhaka Division	84.68%	12,932,889,066	16,145,804,808
Chittagong Division	14.01%	2,140,383,300	2,557,354,709
Barisal Division	0.01%	1,711,937	1,401,925
Rajshahi Division	0.46%	70,985,741	64,129,036
Khulna Division	0.83%	126,401,408	140,117,425
Sub Total	100.00%	15,272,371,452	18,908,807,903
Outside Bangladesh	-	-	-
Total	100.00%	15,272,371,452	18,908,807,903

	2020		2019	
	BDT		BDT	
7.5 Classification of Loans & advances as per Bangladesh Bank circular				
Unclassified	2020	2019	2020	2019
Standard	69.39%	89.89%	10,598,166,351	16,997,162,642
Special Mention Account (SMA)	7.19%	1.05%	1,098,019,622	198,252,051
Sub Total	76.58%	90.94%	11,696,185,972	17,195,414,693
Classified				
Sub-standard (SS)	0.13%	2.87%	20,145,502	542,205,361
Doubtful (DF)	1.23%	1.22%	188,019,996	230,135,899
Bad/ Loss (BL)	22.05%	4.98%	3,368,019,982	941,051,950
Sub Total	23.42%	9.06%	3,576,185,480	1,713,393,210
Total	100%	100%	15,272,371,452	18,908,807,903
7.6 Details of Large Loans & Advances				
As per DFIM circular No.-10, dated 5 September, 2011, outstanding amount exceeding 15% of total capital of the company is treated as Large Loans & Advances. Total capital of the company was BDT 2,104,162,039 as on 31 December, 2020 whereas BDT 2,191,551,424 as on 31 December, 2019.				
Number of Clients		13		10
Outstanding Amount		4,606,833,482		4,078,007,087
Classified Amount		360,621,264		360,621,264
Measures taken for recovery		-		-
7.7 Particulars of Loans & Advances				
1. Loans & advances considered good in respect of which the company is fully secured		4,484,301,081		6,627,882,035
2. Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee		6,817,519,964		7,676,744,664
3. Loans & advances considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors		3,364,638,645		3,978,461,263
4. Loans & advances adversely classified for which provision has not been maintained		-		-
5. Loans & advances due by the directors or officers of the company or any of them either separately or jointly with any other persons		-		-
6. Loans & advances due from companies or firms in which the directors of the company have interest as directors, partners or managing agent or in case of private companies as members		573,761,125		588,148,046
7. Maximum total amount of loan & advances including temporary loans & advances made at any time during the year to directors of managers or officers of the company or any of them either separately or jointly with any other person		32,150,637		37,571,895
8. Maximum total amount of loans & advances including temporary loans & advances granted during the year to the companies of firms in which the directors of the company have interest as directors, partners of managing agents or in the case of private companies, as members		-		-
9. Due from banking companies		-		-
10. Amount of classified loans & advances on which interest has not been charged as follows:				
a. (Decrease) / increase in provision		113,672,070		332,394,576
b. Amount of loans & advances written off		-		-
c. Amount of collection against written of loans & advances		-		-
d. Interest credited to interest suspense account		56,098,240		162,605,138
11. Loans & advances written off:				
a. Current year		69,770,310		128,718,575
b. Cumulative to date		599,068,975		529,298,665
c. Amount of written off loans for which law suits have been filed		599,068,975		529,298,665
7.8 Bills Discounted and Purchased				
Inside Bangladesh		98,616,851		37,097,428
Outside Bangladesh		-		-
Total		98,616,851		37,097,428
7.9 Maturity grouping of Bills Discounted and Purchased				
Within 1 month		1,205,011		453,298
Over 1 month but within 3 months		33,550,455		12,620,922
Over 3 months but within 6 months		23,432,119		8,814,633
Over 6 months		40,429,266		15,208,575
Total		98,616,851		37,097,428

	2020	2019
	BDT	BDT
7.a Consolidated Loans & Advances		
IIDFCL	15,272,371,452	18,908,807,903
IIDFC Securities Limited (Note-7.a.1)	1,764,165,093	1,613,640,304
IIDFC Capital Limited (Note-7.a.2)	630,480,180	729,536,955
	17,667,016,725	21,251,985,162
Less: Inter Company Loans & Advances		
IIDFC Securities Limited	573,761,153	573,787,454
IIDFC Capital Limited	-	14,360,592
	573,761,153	588,148,046
Total	17,093,255,572	20,663,837,116
7.a.1 Loans & Advance of IIDFC Securities Limited		
Margin Loan	1,764,165,093	1,613,640,304
7.a.2 Loans & Advance of IIDFC Capital Limited		
Margin loan	630,480,180	729,536,955
8 Fixed assets including premises, furniture & fixtures etc.		
Own Finance		
A. Cost		
Motor Vehicles	20,296,115	21,666,245
Furniture & Fixtures	34,276,248	32,514,991
Office Equipments	46,784,794	46,468,038
Right-of-use asset	60,618,988	-
Total	161,976,145	100,649,274
B. Less: Accumulated Depreciation		
Motor Vehicles	15,944,102	14,042,819
Furniture & Fixtures	17,663,959	14,381,786
Office Equipments	37,929,319	34,522,828
Right-of-use asset	17,894,505	-
Total	89,431,885	62,947,433
	72,544,260	37,701,841
C. Written Down Value at the end of the year (A-B)		
Lease Finance		
D. Cost		
Furniture & Fixtures	-	-
Office Equipments	-	-
Motor Vehicles	-	-
Total	-	-
E. Less: Accumulated Depreciation		
Furniture & Fixtures	-	-
Office Equipments	-	-
Motor Vehicles	-	-
Total	-	-
F. Written Down value at the end of the year (D-E)	-	-
G. Total of premises, furniture & fixtures etc. (C+F)	72,544,260	37,701,841
8.1 Intangible asset - computer software (Details in Annexure-1)		
Cost	13,029,967	8,907,176
Add: Addition during the year	101,504	4,122,791
Less: Accumulated amortization	10,169,603	8,915,627
H. Net book value at the end of the year	2,961,868	4,114,340
I. Grand total of Fixed assets including premises, furniture & fixtures etc.(G+H)	75,506,128	41,816,181
Details of Property, Plant & Equipments has been presented in Annexure-I		
8.a Consolidated fixed assets including premises, furniture & fixtures etc.(Details in Annexure-1.a)		
IIDFCL	75,506,128	41,816,181
IIDFC Securities Limited (Note-8.a.1)	2,849,604	2,476,004
IIDFC Capital Limited (Note-8.a.2)	401,312	567,851
Total	78,757,044	44,860,036

	2020	2019
	BDT	BDT
8.a.1 Fixed assets including premises, furniture & fixtures etc. of IIDFC Securities Limited		
A. Cost		
Motor vehicles	358,141	358,141
Furniture & fixtures	13,516,752	12,568,181
Office equipments	15,062,085	13,925,442
Total	28,936,978	26,851,764
B. Less: Accumulated depreciation		
Motor vehicles	358,141	358,141
Furniture & fixtures	12,296,606	11,047,077
Office equipments	13,432,627	12,970,542
Total	26,087,374	24,375,760
C. Written down value at the end of the year (A-B)	2,849,604	2,476,004
8.a.2 Fixed assets including premises, furniture & fixtures etc. of IIDFC Capital Limited		
A. Cost		
Motor vehicles	1,250,000	1,250,000
Furniture & fixtures	819,914	819,914
Office equipments	3,889,912	3,889,912
Total	5,959,826	5,959,826
B. Less: Accumulated depreciation		
Motor vehicles	1,249,994	1,249,994
Furniture & fixtures	819,896	766,216
Office equipments	3,488,634	3,375,775
Total	5,558,524	5,391,985
C. Written down value at the end of the year (A-B)	401,302	567,841
8.1.a Consolidated intangible asset (Details in Annexure-1.a)		
IIDFCL	2,961,868	4,114,340
IIDFC Securities Limited	-	-
IIDFC Capital Limited	10	10
Total	2,961,878	4,114,350
9 Other assets		
Investment in shares of subsidiary companies:		
In Bangladesh	1,534,862,970	1,534,862,970
Outside Bangladesh	-	-
Advance rent and advertisement	-	-
Interest accrued on investment, commissions and other receivables	18,739,468	21,381,275
Security deposits	2,531,527	9,685,115
Preliminary expenses, renovation, development and prepaid expenses	2,830,367	2,200,638
Balance with BO account	2,702,601	1,060,434
Others (Note 9.1)	1,665,667,281	1,388,305,939
Total	3,227,334,214	2,957,496,371
9.1 Others		
Interest receivable	508,639,759	416,801,371
Advance for travelling	36,826	51,826
Deferred Tax (Note 9.1.1)	9,583,503	7,361,069
Advance for suppliers	5,284,889	6,086,568
Advance tax	671,376,121	627,649,046
Commission on bank guarantee	215,425	215,425
Others receivable	470,530,758	330,140,633
Total	1,665,667,281	1,388,305,939
9.1.1 Deferred tax		
Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS) 12: "Income Taxes".		
9.a Consolidated other assets		
IIDFCL	3,227,334,214	2,957,496,371
IIDFC Securities Limited (Note-9.a.1)	271,532,664	273,487,827
IIDFC Capital Limited (Note-9.a.2)	106,224,245	117,837,228
Total	3,605,091,123	3,348,821,426
Less: Inter company investment		
IIDFC Securities Limited	999,874,970	999,874,970
IIDFC Capital Limited	599,988,000	599,988,000
Total	1,599,862,970	1,599,862,970
Total	2,005,228,153	1,748,958,456

	2020 BDT	2019 BDT
9.a.1 Other assets of IIDFC Securities Limited		
Cost of TREC holding	85,978,830	85,978,830
Advance rent	1,819,240	1,285,000
Stamp in hand	9,585	14,553
Security deposits	363,956	361,856
Advance tax	158,402,527	141,525,428
Others	24,958,526	44,322,160
Total	271,532,664	273,487,827
9.a.2 Other assets of IIDFC Capital Limited		
License fee	30,196,209	30,196,209
Security deposits	200,000	200,000
Advance tax	49,034,251	48,002,361
Deferred tax assets	77,017	72,540
Others	26,716,768	39,366,118
Total	106,224,245	117,837,228
10 Non-banking assets	12,287,820	-

This represents assets owned under the Certificate of Ownership given by the competent court under section 33(7) of Artha Rin Adalat Ain 2003.

11 Borrowings from other banks, financial Institutions & agents

Inside Bangladesh:

Refinance against SME and other loans from Bangladesh Bank	1,274,193,454	1,016,910,979
From other scheduled Banks (Note - 11.1)	4,247,914,455	5,329,303,552
Sub Total	5,522,107,909	6,346,214,531

Outside Bangladesh

Total	5,522,107,909	6,346,214,531
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11.1 From other scheduled banks & financial institutions

Long term loan

Eastern Bank Ltd.	-	450,150,000
Social Islami Bank Limited	211,882,884	78,726,114
Pubali Bank Ltd.	1,039,232,428	709,327,532
Uttara Bank Ltd.	655,025,096	646,938,557
National Credit and Commerce Bank Ltd.	128,520,891	161,015,920
Trust Bank Ltd.	337,969,553	357,068,750
Midland Bank Limited	170,825,258	170,316,248
Sub-Total	2,543,456,110	2,573,543,121

Short term loan, overdraft and money at call & short notice

Union Bank Limited	141,315,000	147,058,000
Sonali Bank Limited	120,000,000	120,000,000
Mutual Trust Bank Limited	500,252,252	413,882,996
South Bangla Agriculture & Commerce Bank Ltd.	230,000,000	500,000,000
Lankan Alliance Finance Limited	50,000,000	50,000,000
Public Bank	502,894,867	1,004,820,564
Woori Bank	159,996,226	159,998,871
BRAC EPL Limited	-	100,000,000
NRB Commercial Bank Ltd.	-	120,000,000
Uttara Bank Ltd	-	30,000,000
United Commercial Bank Limited	-	110,000,000
Sub-Total	1,704,458,345	2,755,760,431

Grand Total

Security against borrowings from other banks, financial institutions and agents

Secured	3,745,019,588	4,324,482,988
Unsecured	502,894,867	1,004,820,564
Total	4,247,914,455	5,329,303,552

Security is covered by first equitable mortgage of all present and future immovable properties and by floating charges on movable assets of the Company ranking pari-passu among the lenders. The Company has a Pari Passu Security Sharing Agreement (PPSSA) among the secured lenders stipulating the procedure in the sharing of the security provided by the Company. Loans repayable within one year have been placed under current liabilities. Details of loans are as follows:

Maturity grouping of borrowings from other banks, financial institutions and agents

Payable on demand	1,315,360,916	1,650,211,574
Up to 1 month	895,495,251	1,123,460,954
Over 1 month but within 6 months	645,662,586	810,028,533
Over 6 months but within 1 year	430,441,724	540,019,021
Over 1 year but within 5 years	217,408,255	272,753,747
Over 5 years	743,545,723	932,829,723
Total	4,247,914,455	5,329,303,552

	2020	2019
	BDT	BDT
11.a Consolidated borrowings from other banks, financial Institutions & agents Inside Bangladesh		
IIDFCL	5,522,107,909	6,346,214,531
IIDFC Securities Limited (Note-11.a.1)	600,994,992	577,651,667
IIDFC Capital Limited (Note-11.a.2)	-	23,955,078
	6,123,102,901	6,947,821,276
Less: Inter company borrowings		
IIDFC Securities Limited	573,761,153	573,787,454
IIDFC Capital Limited	-	14,360,592
	573,761,153	588,148,046
Total	5,549,341,748	6,359,673,230
11.a.1 Borrowings of IIDFC Securities Limited		
Inside Bangladesh		
IIDFC Ltd.	573,761,153	573,787,454
ONE Bank Limited	27,233,839	22,334
NCC Bank Limited	-	83,867
Investment Corporation of Bangladesh	-	3,758,012
Total	600,994,992	577,651,667
11.a.2 Borrowings of IIDFC Capital Limited		
IIDFC Ltd.	-	14,360,592
Investment Corporation of Bangladesh (ICB)	-	9,594,486
Standard Bank Ltd.	-	-
Total	-	23,955,078
12 Deposits & other accounts		
Deposits from banks and financial institutions (Note-12.1)	4,550,732,003	6,258,265,572
Deposits from customers	5,660,799,781	6,449,716,134
Sub-Total	10,211,531,784	12,707,981,706
Other deposit	2,366,560	2,366,560
Grand Total	10,213,898,344	12,710,348,266
IIDFC maintains the highest level of commitment to depositors in terms of repayment, customer service and best returns from their investment.		
12.1 Deposits from banks and financial institutions		
Agrani Bank Limited	200,000,000	200,000,000
AB Bank Ltd.	100,000,000	200,000,000
BRAC Bank Limited	840,000,000	1,000,000,000
The City Bank Ltd.	850,000,000	850,000,000
Sonali Bank Limited	190,000,000	200,000,000
Janata Bank Limited	200,000,000	200,000,000
Mercantile Bank Limited	30,732,003	28,265,572
Shahjalal Islami Bank Limited	930,000,000	1,400,000,000
Shimanto Bank Limited	600,000,000	400,000,000
National Credit & Commerce Bank Limited	260,000,000	230,000,000
Modhumoti Bank Ltd.	350,000,000	1,100,000,000
United Commercial Bank Limited	-	450,000,000
	4,550,732,003	6,258,265,572
12.2 Maturity grouping of deposits & other accounts		
Payable on demand	-	-
Up to 1 month	556,673,438	692,733,864
Over 1 month but within 6 months	2,636,392,318	3,280,771,298
Over 6 months but within 1 year	4,042,717,591	5,030,826,311
Over 1 year but within 5 years	2,620,823,913	3,261,397,710
Over 5 years but within 10 years	357,291,084	444,619,082
Over 10 years	-	-
Total	10,213,898,344	12,710,348,266
12.a Consolidated Deposits & Other Accounts		
IIDFCL	10,211,531,784	12,707,981,706
IIDFC Securities Limited	-	-
IIDFC Capital Limited (Note-12.a.1)	-	-
Sub Total	10,211,531,784	12,707,981,706
Other Deposit	2,366,560	2,366,560
Total	10,213,898,344	12,710,348,266
12.a.1 Deposits & Other Accounts of IIDFC Capital Limited		
Deposits from Banks	-	-
Deposits from Customers	-	-
Total	-	-

	2020	2019
	BDT	BDT
13 Other Liabilities		
Finance loss reserve (Note 13.1)	892,179,870	888,584,034
Deferred tax	671,924	660,692
Interest suspense account (Note 13.2)	421,232,974	368,350,000
Lease rental advance	20,108,022	24,423,211
Provision for current tax (Note 38)	657,279,245	655,279,245
Liabilities for financial expenses	97,588,480	148,840,957
Liabilities for expenses	921,980	16,764,107
Liabilities for other finance	76,416,303	66,044,937
Lease liability	37,531,720	-
Total	2,203,930,518	2,168,947,183
13.1 Finance Loss Reserve		
Specific Provision on Classified Loans & Advances		
Opening Balance	616,519,312	376,016,620
Less: Provision fully provided loans & advances written-off during the year	(66,555,044)	(93,384,626)
Add: Specific provision provided during the year	121,401,836	333,887,318
Closing balance	671,366,104	616,519,312
Provision for diminution in value of Investments		
Opening Balance	131,446,605	48,464,313
Add: Provision during the year	(43,521,190)	82,982,292
Closing Balance	87,925,415	131,446,605
General Provision on unclassified Loans & Advances		
Opening balance	140,618,117	142,110,859
Add: General provision provided during the year	(7,729,766)	(1,492,742)
Closing Balance	132,888,351	140,618,117
Total	892,179,870	888,584,034
Particulars of required provision for Loans and Advances		
Status of classification	Base for provision	Rate
Unclassified (General provision)		
Standard - other than SME	7,697,550,794	1.0%
Standard - SME	2,822,735,422	0.25%
Special mention account (SMA)	1,039,693,585	5.0%
Total	11,559,979,801	
Classified (Specific provision)		
Sub-standard (SS)	21,411,597	20.0%
Doubtful (DF)	76,674,755	50.0%
Bad/ loss (BL)	1,471,461,978	100.0%
Total	1,569,548,330	
Required provision for Investments		87,925,415
Total provision required		1,738,024,115
Total provision made		892,179,870
Excess /(Shortage) provision made		(845,844,245)
13.2 Interest suspense account		
Opening Balance	368,350,000	241,078,811
Add: Amount transferred to interest suspense account during the year	56,098,240	162,605,138
Less: Amount written-off during the year	(3,215,265)	(35,333,949)
Closing Balance	421,232,974	368,350,000
13.a Other Liabilities		
IIDFCL	2,203,930,518	2,168,947,183
IIDFC Securities Limited (Note-13.a.1)	746,481,344	744,957,540
IIDFC Capital Limited (Note-13.a.2)	272,529,322	317,075,855
	3,222,941,184	3,230,980,579
Less: Inter company liabilities		
IIDFC Securities Limited	-	-
IIDFC Capital Limited	-	-
Total	3,222,941,184	3,230,980,578

13.a.1 Other Liabilities of IIDFC Securities Limited

	2020	2019
	BDT	BDT
Provision for loans & advances-margin loan	46,217,086	47,267,496
Provision for current tax	145,530,377	128,653,278
Payable to clients	129,482,272	140,810,501
Payable to merchant Banks (City Bank Capital, SEB Capital & IIDFC Capital)	3,531,902	295,673
Payable to DSE	512,295	205,416
Interest suspense account	402,509,112	411,656,855
Liability for expenses	5,605,623	3,802,101
Reserve for risk fund	1,116,667	1,016,667
Provision for diminution in value of investments	11,976,010	11,249,553
Total	746,481,344	744,957,540

As per BSEC's directive no. BSEC/SRI/Policy/3/2020/68 dated 12 January 2020; loans loss reserve has been maintained including interest suspense for BDT 448,726,198 which is equivalent to 37.01%.

13.a.2 Other liabilities of IIDFC Capital Limited

Finance loss reserve	188,802,548	216,476,663
Provision for diminution in value of investment	10,165,877	15,696,122
Current tax liability	49,620,750	48,941,154
Liability for financial expenses	635,694	488,540
Liability for expenses	5,322,527	1,471,382
Payable to Brokerage & Others	17,981,926	34,001,994
Total	272,529,322	317,075,855

Loan loss reserve has been maintained following the BSEC directive no. SEC/CMRRCD/2009-193/196 dated 28 December 2016 and subsequent directive number BSEC/SRI/policy/3/2020/68 dated 12 January 2020.

14 Share Capital

Authorized Capital

(500,000,000 shares of Tk. 10 each)

5,000,000,000 **5,000,000,000**

Subscribed & Paid-up Capital:

(173,777,068 shares of Tk. 10 each)

1,737,770,680 **1,308,000,000**

Paid-up Share Capital as on 31 December, 2020 comprises the followings

Public Sector

Name of Shareholders

	No. of Shares	Value	Percentage
Sonali Bank Limited	13,380,903	133,809,030	7.70%
Janata Bank Limited	13,380,903	133,809,030	7.70%
Investment corporation of Bangladesh	13,380,903	133,809,030	7.70%
	40,142,709	401,427,090	23.10%
Private sector			
AB Bank Ltd.	2,667,923	26,679,230	1.54%
Bank Asia Ltd.	13,380,903	133,809,030	7.70%
BRAC Bank Ltd.	10,449,259	104,492,590	6.01%
City Bank Ltd.	13,380,903	133,809,030	7.70%
Mutual Trust Bank Ltd.	13,380,903	133,809,030	7.70%
National Bank Ltd.	13,380,903	133,809,030	7.70%
ONE Bank Ltd.	13,380,903	133,809,030	7.70%
Southeast Bank Ltd.	10,449,259	104,492,590	6.01%
Eastland Insurance Co. Ltd.	10,449,259	104,492,590	6.01%
National Life Insurance Co. Ltd.	13,380,903	133,809,030	7.70%
Pragati Insurance Ltd.	13,380,903	133,809,030	7.70%
Mr. Md. Matiul Islam	5,952,338	59,523,380	3.43%
	133,634,359	1,336,343,590	76.90%
Total	173,777,068	1,737,770,680	100.00%

14.1 Capital adequacy

As per sub-section 3(Ga) of section 4 of the Financial Institutions Regulations 1994 and DFIM Circular No. 05 dated 24 July 2011 and DFIM Circular No. 09 dated 24 June 2014 the minimum paid up capital of the Financial Institution shall be Taka 100 crore. Provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined under the Risk Based Assets of the Company.

Paid up capital	1,737,770,680	1,308,000,000
Required capital as per Bangladesh Bank	1,000,000,000	1,000,000,000
Excess/(Shortage) capital	737,770,680	308,000,000

14.2 Capital adequacy and market discipline

As per Capital Adequacy and Market Discipline for Financial Institutions guideline of Bangladesh Bank, IIDFC calculated Minimum Capital Requirement (MCR) by dividing the total capital by the sum of risk weighted assets against credit risk, market risk, and operational risk under pillar-I. IIDFC maintain Capital Adequacy Ratio (CAR) of minimum 10%.

Tier-1 (Core Capital)

	2020 BDT	2019 BDT
Fully paid-up capital/ capital lien with BB	1,737,770,680	1,308,000,000
Statutory reserve	371,950,483	371,950,483
Non-repayable share premium account (share money deposits)	-	310,809,600
General reserve	50,800,000	50,800,000
Retained earnings	(56,359,124)	149,991,341
Minority interest in subsidiaries	-	-
Non-cumulative irredeemable preference shares	-	-
Dividend equalization account	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	2,104,162,039	2,191,551,424

Deductions from tier-1(Core capital)

Book value of goodwill and any value of any contingent assets which are shown	-	-
Shortfall in provisions required against classified assets	-	-
Shortfall in provisions required against investment in share	-	-
Remaining deficit on account of revaluation of investments in securities after netting off any other surplus on the securities	-	-
Any investment exceeding the approved limit	-	-
Investments in subsidiaries which are not consolidated	-	-
Other (if any)	-	-
Sub-Total	-	-

Total eligible Tier-1 capital

2,104,162,039 **2,191,551,424**

2. Tier-2 (Supplementary capital)

General provision (Unclassified up to special limit+SMA+ off balance sheet	179,536,479	312,185,416
Assets revaluation reserves up to 50%	-	-
Revaluation reserve for securities up to 50%	-	-
All other preference shares	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	179,536,479	312,185,416
Deductions, if any	-	-

Total eligible Tier-2 capital

179,536,479 **312,185,416**

A Total capital

2,283,698,518 **2,503,736,840**

B Total risk weighted asset

15,796,231,196 **17,753,159,829**

C Required capital

1,579,623,120 **1,775,315,983**

D Surplus / (Deficit)

704,075,398 **728,420,857**

Capital adequacy ratio (CAR)

14.46% **14.10%**

On core capital (Tier-1)

13.32% **12.34%**

On supplementary capital (Tier-2)

1.14% **1.76%**

15 Statutory reserve

Opening balance

371,950,483 366,708,633

Add: Addition during the year

- 5,241,850

Closing balance

371,950,483 **371,950,483**

In compliance with the clause no 6 of Financial Institutions Regulations, 1994, Financial Institution is required to transfer at least 20% of its profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of Share Premium Account (if any) and Statutory Reserve is less than the paid up capital of that financial institution. Accordingly, 20% of current year's profit after tax has been transferred to Statutory Reserve Account.

16 General reserve

Opening Balance

50,800,000 49,800,000

Add: Addition during the year

- 1,000,000

Closing balance

50,800,000 **50,800,000**

General reserve represents reserve for mitigating general and contingent situation which are unforeseen or uncertain relating to the Company and its stakeholders.

	2020	2019
	BDT	BDT
16.a Consolidated general reserve		
IIDFCL	50,800,000	50,800,000
IIDFC Securities Limited	17,000,000	17,000,000
IIDFC Capital Limited	-	-
	67,800,000	67,800,000
17 Share Money Deposit		
Opening balance	310,809,600	123,110,960
Add: Addition during the year (Note. 17.1)	1,241,080	187,698,640
Less: Transfer as Right share and include in Paid-up Capital	(312,050,680)	-
Closing balance	-	310,809,600
17.1 Share Money Depots for Right Share:		
Janata Bank Limited	-	29,316,440
AB Bank Limited	-	5,845,200
The City Bank Limited	-	29,316,440
Mutual Trust Bank Limited	-	29,316,440
Sonali Bank Limited	-	29,316,440
Investment Corporation of Bangladesh(ICB)	-	29,316,440
Bank Asia Limited	-	29,316,440
National Bank Limited	-	29,316,440
Pragati Insurance Limited	-	29,316,440
National Life Insurance	-	29,316,440
Mr. Md. Matiul Islam	1,241,080	11,800,000
One Bank Limited	-	29,316,440
	1,241,080	310,809,600
<p>The Board of Directors of IIDFC decided and approved to issue 1:3 (One share for every existing three shares) Right Share among existing Shareholders at face value of BDT 10 per share and without any premium. Out of total Shareholders, above Shareholder paid his respective amount before 31st December 2020.</p>		
18 Stock dividend		
Opening balance	117,720,000	-
Add: Stock dividend for 2018	-	117,720,000
Less: Converted into paid up capital	(117,720,000)	-
Closing balance	-	117,720,000
18.a Consolidated stock dividend		
IIDFC Limited	-	117,720,000
IIDFC Securities Ltd.	-	-
IIDFC Capital Limited	-	-
	-	117,720,000
19 Retained earnings		
Opening balance	32,271,341	238,023,941
Less: Non-divisible profit	-	-
Net profit during the year	(88,630,465)	26,209,249
Less: Statutory reserve	-	(5,241,850)
Less: General reserve	-	(1,000,000)
Less: Stock Dividend for the year 2018	-	(117,720,000)
Less: Stock Dividend for the year 2017	-	(108,000,000)
Less: Stock Dividend Distributed for the year 2016	-	-
Closing balance	(56,359,124)	32,271,341
19.a Consolidated Retained earnings		
IIDFCL	(56,359,124)	32,271,341
IIDFC Securities Limited (Note-19.a.1)	107,688,520	106,615,458
IIDFC Capital Limited (Note-19.a.2)	(26,961,958)	(29,209,975)
Sub-Total	24,367,438	109,676,824
Less: Non-controlling interest	12,925	12,746
Total	24,354,513	109,664,078

	2020 BDT	2019 BDT
19.a.1 Retained earnings of IIDFC Securities Limited		
Opening balance	106,615,458	99,963,137
Add: Prior year adjustment	-	-
Add: Net profit during the year	1,073,062	6,652,321
Less: Stock dividend	-	-
Closing balance	107,688,520	106,615,458
19.a.2 Retained earnings IIDFC Securities Ltd.		
Opening balance	(29,209,975)	(31,290,934)
Net profit during the year	2,248,017	2,080,959
Closing balance	(26,961,958)	(29,209,975)
19.a.3 Non-controlling interest		
Share capital	137,030	137,030
Retained earnings	12,925	12,746
General reserve	2,126	2,126
Closing balance	152,081	151,901

Name of subsidiary company	Amount of share capital	Right of IIDFC	Share of IIDFC	Non-controlling share capital
IIDFC Securities Limited	1,000,000,000	99.9875%	999,874,970	125,030
IIDFC Capital Limited	600,000,000	99.9980%	599,988,000	12,000
	1,600,000,000		1,599,862,970	137,030
Non-Divisible Profit	-		(65,000,000)	-
Total	1,600,000,000		1,534,862,970	137,030

20 Contingent liabilities & capital expenditure commitments

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities. No material losses are anticipated as a result of these transactions. These contingent liabilities and business commitments are quantified below:

Letter of guarantee:

Money for which the company is contingently liable in respect of guarantees given favouring:

Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Others (Note-20.1)	203,549,122	203,549,122
Sub Total	203,549,122	203,549,122

Letter of credit:

For import of equipments under lease finance

Sub-Total	-	-
Total	203,549,122	203,549,122

20.1 Others

Bank Guarantee-Non Funded	203,549,122	203,549,122
	203,549,122	203,549,122

20.2 Capital expenditure commitments

There was no capital expenditure contracted but not incurred or provided for as on 31 December, 2020, or no capital expenditure authorized by the Board but not contracted as on 31 December, 2020.

21 Interest income

Interest income from balance with other banks & financial institutions	2,038,130	1,847,973
Interest income from lease finance	172,547,995	319,659,818
Interest income from direct/ term finance	1,729,375,798	2,045,378,365
Interest income from FDR placement	45,672,314	125,935,984
Interest income from bills discounted & purchased	1,866,530	4,087,334
Total	1,951,500,767	2,496,909,474

21.a Consolidated interest income

IIDFCL	1,951,500,767	2,496,909,474
IIDFC Securities Limited (Note-21.a.1)	63,964,490	91,884,852
IIDFC Capital Limited (Note-21.a.2)	14,882,419	19,827,761
	2,030,347,676	2,608,622,087
Less: Inter company transaction		
IIDFC Securities Limited	57,776,993	63,668,220
IIDFC Capital Limited	252,945	3,908,306
	58,029,938	67,576,526
Total	1,972,317,738	2,541,045,561

	2020	2019
	BDT	BDT
21.a.1 Interest income of IIDFC Securities Limited		
Interest income from margin loan	51,451,816	76,174,700
Interest Income from FDR	4,401,859	7,066,641
Interest Income from Staff loan	132,394	-
Interest income from balance with other banks	7,978,421	8,643,510
Total	63,964,490	91,884,852
21.a.2 Interest income of IIDFC Capital Limited		
Interest income from margin loan	14,882,419	19,827,761
Interest income from balance with other banks & financial institutions	-	-
Total	14,882,419	19,827,761
22 Interest paid on deposits, borrowings etc.		
Interest on deposits		
Fixed deposits	460,101,719	683,410,026
Short-term deposits	813,325,010	622,108,364
Other deposits	-	-
	1,273,426,729	1,305,518,390
Interest on borrowings		
For borrowings from other banks, financial institutions		
Long term loan	308,284,602	270,735,998
Overdraft facilities	137,458,455	158,831,682
Money at call and short notice	53,865,705	32,076,342
	499,608,762	461,644,022
Interest on lease rent	3,882,359	-
Total	1,776,917,850	1,767,162,412
22.a Consolidated interest paid on deposits, borrowings etc.		
IIDFCL	1,776,917,850	1,767,162,412
IIDFC Securities Limited (Note-22.a.1)	59,269,710	64,659,746
IIDFC Capital Limited (Note-22.a.2)	252,945	3,908,306
	1,836,440,505	1,835,730,464
Less: Inter company transaction		
IIDFC Securities Limited	57,776,993	63,668,220
IIDFC Capital Limited	252,945	3,908,306
	58,029,938	67,576,526
Total	1,778,410,567	1,768,153,938
22.a.1 Interest paid on deposits, borrowings etc. of IIDFC Securities Limited		
Interest on borrowing from IIDFC Ltd .	57,776,993	63,668,220
Interest on borrowing from bank & other financial institutions	1,492,717	991,526
Total	59,269,710	64,659,746
22.a.2 Interest paid on deposits, borrowings etc. of IIDFC Capital Limited		
Interest on borrowing from bank & other financial institutions	252,945	3,908,306
Interest on Demand Loan	-	-
Total	252,945	3,908,306
23 Income from investment		
Capital gain	12,026,882	10,768,139
Interest income from Bond & Others	4,250,000	5,750,000
Interest income from Unit Fund	1,549,056	503,783
Dividend income	8,030,163	12,023,003
Total	25,856,102	29,044,925
23.a Consolidated income from investment		
IIDFCL	25,856,102	29,044,925
IIDFC Securities Limited (Note-23.a.1)	11,484,084	15,591,785
IIDFC Capital Limited (Note-23.a.2)	6,351,377	(2,040,589)
Total	43,691,563	42,596,121
23.a.1 Income from investment of IIDFC Securities Limited		
Dividend income	11,220,753	10,521,212
Capital gain on investment in securities	263,331	5,070,573
Total	11,484,084	15,591,785

	2020	2019
	BDT	BDT
23.a.2 Income/(Loss) from investment of IIDFC Capital Limited		
Dividend income	1,813,240	1,933,034
Capital gain/(loss) on investment in securities	4,538,137	(3,973,623)
Total	6,351,377	(2,040,589)
24 Commission, exchange and brokerage		
Commission on securities trading	-	-
Total	-	-
24.a Consolidated income from commission, exchange and brokerage		
IIDFCL	-	-
IIDFC Securities Limited	79,208,518	49,995,949
IIDFC Capital Limited	13,020,163	5,766,535
Total	92,228,681	55,762,484
25 Other operating income		
Syndication fee income	20,083,276	4,754,348
Bank guarantee income	-	7,491
Carbon finance income	136,012	-
Application & processing fees	341,177	5,116,622
Transfer fees	103,996	71,978
Notice charge	321,440	510,820
Profit from sale of fixed assets	760,000	608,360
Cancellation charges	236,882	526,493
Other income	8,106,970	4,656,414
Total	30,089,753	16,252,526
25.a Consolidated other operating income		
IIDFCL	30,089,753	16,252,526
IIDFC Securities Limited (Note-25.a.1)	1,879,120	550,267
IIDFC Capital Limited (Note-25.a.2)	1,651,102	383,238
Total	33,619,975	17,186,031
25.a.1 Other operating income of IIDFC Securities Limited		
BO & trading accounts maintenance income	480,654	402,603
Income against CDBL charges	-	75,537
Gain on disposal of assets	12,866	52,627
Cheque dishonour charges	39,000	19,500
Others	1,346,600	-
Total	1,879,120	550,267
25.a.2 Other operating income of IIDFC Capital Limited		
Non Operating Income	1,651,102	383,238
Underwriting commission	-	-
Service Charge & Commission	-	-
Total	1,651,102	383,238
26 Salaries & allowances		
Basic salary	85,529,499	89,495,987
Allowances	53,267,765	58,552,410
Festival bonus	12,050,375	13,103,301
Incentive bonus	-	14,253,738
Company's contribution provident fund	6,971,853	7,192,836
Group insurance	2,284,178	1,836,811
Retirement benefits & gratuity	12,100,000	-
Total	172,203,670	184,435,083
Salaries and allowances of IIDFC Limited include annual contribution to Provident Fund and Gratuity Fund. This Provident Fund and Gratuity Fund is also applicable for IIDFC group also.		
IIDFC Limited operates a funded gratuity scheme (which is a defined benefit scheme as specified in IAS 19). Gratuity fund is administered by a Board of Trustees and Company contributions are invested separately from company assets. Employees are entitled to gratuity benefit after completion of a minimum years of service with the Company. The Company is contributing to the fund as per yearly requirement based on present employees status and payment requirement.		
26.a Consolidated salaries & allowances		
IIDFCL	172,203,670	184,435,083
IIDFC Securities Limited (Note-26.a.1)	31,630,197	38,115,640
IIDFC Capital Limited (Note-26.a.2)	12,269,921	12,934,303
Total	216,103,788	235,485,026

	2020	2019
	BDT	BDT
26.a.1 Salaries & allowances of IIDFC Securities Limited		
Basic salary	16,517,394	18,396,498
Allowances	10,775,683	12,351,784
Bonus	1,409,362	3,031,022
Company's contribution to provident fund	1,575,647	1,722,546
Group insurance	958,941	891,243
Retirement benefits & gratuity	393,170	1,722,547
Total	31,630,197	38,115,640
26.a.2 Salaries & allowances of IIDFC Capital Limited		
Basic salary	5,495,364	5,495,364
Allowances	4,885,792	5,086,501
Bonus	915,894	915,894
Company's contribution provident fund	549,540	549,540
Group Insurance	225,565	225,989
Cleaning staff salary	36,000	-
Retirement benefits & gratuity	161,766	661,015
Total	12,269,921	12,934,303
27 Rent, taxes, insurance, electricity etc.		
Rent, rate and taxes	857,303	25,861,186
Insurance payment	591,817	275,392
Electricity, gas and water	3,210,547	3,830,038
Total	4,659,667	29,966,616
27.1 Disclosure related to rent,rate and taxes:		
Actual rent expenses	22,634,167	-
Less: Reclassification of rent expenses (as per IFRS-16: Leases)	21,776,864	-
Rent expense as reported	857,303	-
In addition the above mentioned change in rent expense, implementation of IFRS-16 has resulted in charging of depreciation against Right-of-use asset as disclose in Annexure-1 and of interest expense on lease rent as disclosed in note-22.		
27.a Consolidated rent, taxes, insurance, electricity etc.		
IIDFCL	4,659,667	29,966,616
IIDFC Securities Limited (Note-27.a.1)	13,134,069	16,065,694
IIDFC Capital Limited (Note-27.a.2)	1,511,827	1,651,057
Total	19,305,563	47,683,367
27.a.1 Rent, taxes, insurance, electricity etc. of IIDFC Securities Limited		
Rent, rates and taxes	12,109,281	14,623,022
Insurance	4,871	2,455
Electricity, gas and water	1,019,917	1,440,217
Total	13,134,069	16,065,694
27.a.2 Rent, taxes, insurance, electricity etc. of IIDFC Capital Limited		
Rent, rates and taxes	1,340,890	1,511,867
Insurance	58,822	27,918
Electricity, gas and water	112,115	111,272
Total	1,511,827	1,651,057
28 Legal expenses		
Professional charges	1,260,051	2,158,175
Legal expenses	3,579,720	4,290,585
Total	4,839,771	6,448,760
28.a Consolidated legal expenses		
IIDFCL	4,839,771	6,448,760
IIDFC Securities Limited	1,051,051	949,235
IIDFC Capital Limited	243,750	355,350
Total	6,134,572	7,753,345
29 Postage, stamp, telecommunications etc.		
Postage and courier	108,751	112,677
Phone, fax & internet	3,394,188	3,057,738
Total	3,502,939	3,170,415
29.a Consolidated postage, stamp, telecommunications etc.		
IIDFCL	3,502,939	3,170,415
IIDFC Securities Limited	1,687,128	1,792,010
IIDFC Capital Limited	309,261	287,219
Total	5,499,328	5,249,644

	2020	2019
	BDT	BDT
30 Stationery, printing, advertisement etc.		
Printing & stationery	2,589,983	3,200,073
Advertisement	919,769	1,238,829
Total	3,509,752	4,438,902
30.a Consolidated stationery, printing, advertisement etc.		
IIDFCL	3,509,752	4,438,902
IIDFC Securities Limited	409,708	562,330
IIDFC Capital Limited	113,759	74,510
Total	4,033,219	5,075,742
31 Managing director's salary and fees		
Basic salary	3,300,000	3,300,000
House rent allowance	1,650,000	1,650,000
Medical allowance	165,000	165,000
Entertainment allowance	165,000	165,000
Festival bonus	550,000	550,000
Car allowance (Note-36.1)	556,206	648,709
Employee Provident Fund	330,000	-
Group insurance	68,775	68,775
Incentive bonus	-	750,000
Leave fare assistance	-	275,000
Earned leave	-	161,333
Others	69,000	58,020
Total	6,853,981	7,791,837
32 Directors' Fees		
Directors' fees	632,000	678,400
Others Benefits	-	-
Total	632,000	678,400

The Company pays fees to its Directors for attending the Board Meeting and its Committee Meetings as permitted by the Bangladesh Bank. As per DFIM Circular # 03, dated February 24, 2010 Directors/Committee Members have been paid fees @ Tk. 5,000.00 for attending each meeting. At present, Directors/Committee Members are paying fees @ Tk. 8,000.00 for attending each meeting as per DFIM Circular # 13, dated November 30, 2015.

32.a Consolidated directors' fees		
IIDFCL	632,000	678,400
IIDFC Securities Limited	96,800	144,000
IIDFC Capital Limited	101,200	138,000
Total	830,000	960,400
33 Auditor's fees	454,250	454,250
33.a Auditor's fees		
IIDFCL	454,250	454,250
IIDFC Securities Limited	161,000	161,000
IIDFC Capital Limited	161,000	161,000
Total	776,250	776,250
34 Loans & advances written-off		
Loans & advances written-off during the year	-	-
Interest waived	-	-
Total	-	-
34.a Consolidated loans & advances written-off		
IIDFCL	-	-
IIDFC Securities Limited	4,613,296	7,798
IIDFC Capital Limited	16,355,001	-
Total	20,968,297	7,798
35 Repair, depreciation and amortizations of company's assets		
Repair of company's assets:		
Furniture & fixtures	31,076	244,020
Software's	-	-
Office equipments	553,575	1,093,145
Sub Total	584,651	1,337,165
Depreciation of company's assets		
Depreciation of Fixed assets including premises, furniture & fixtures	27,854,582	11,163,944
Sub Total	27,854,582	11,163,944
Amortization of intangible assets		
Computer software	1,253,976	1,760,156
Total repair and depreciation of company's assets	29,693,209	14,261,265

	2020 BDT	2019 BDT
35.a Consolidated repair, depreciation and amortization of intangible assets		
Repair of company's assets		
IIDFCL	584,651	1,337,165
IIDFC Securities Limited	1,487,045	245,741
IIDFC Capital Limited	66,153	9,029
	2,137,849	1,591,935
Depreciation of Fixed assets including premises, furniture & fixtures		
IIDFCL	27,854,582	11,163,944
IIDFC Securities Limited	1,820,434	1,887,753
IIDFC Capital Limited	166,539	194,850
	29,841,555	13,246,547
Amortization of intangible assets		
IIDFCL	1,253,976	1,760,156
IIDFC Securities Limited	-	34,832
IIDFC Capital Limited	-	-
	1,253,976	1,794,988
Total repair and depreciation of assets	33,233,380	16,633,470
36 Other expenses		
Office maintenance	2,919,098	2,631,496
Travelling & conveyance	12,588,861	13,861,030
Meeting expenses	1,223,555	3,589,658
Entertainment	310,709	527,351
Car running & maintenance expenses	3,435,510	5,300,563
Bank charge & excise duty	835,743	1,085,672
Training expenses	311,158	974,193
NID Verification Charge	7,011	-
Membership fees & subscriptions	370,000	438,359
Books & periodicals	37,995	82,700
Capital issue expenses	-	2,186,600
Donation and CSR Purpose	826,500	1,032,605
Project expenses	4,180	-
Total	22,870,320	31,710,227
36.1 Motor car/Motor cycle maintenance Expense		
As per Bangladesh Bank DFIM circular no # 12 dated 18 November 2015, Expenses regarding Motor Car / Motor Cycle maintenance breakup is given below:		
During the year 2020, total car maintenance and running cost of the Company was TK. 3,991,716 which was TK. 5,949,272 in the Y2019. The total costs includes fuel cost for running vehicles and maintenance costs for full year.		
36.a Consolidated other expenses		
IIDFCL	22,870,320	31,710,227
IIDFC Securities Limited	22,695,603	13,817,178
IIDFC Capital Limited	1,430,569	1,552,666
Total	46,996,492	47,080,071
37 Provision for loans & advances		
Provision for classified loans & advances	121,401,836	333,887,318
Provision for unclassified loans & advances	(7,729,766)	(1,492,742)
Provision for diminution in value of investments	(43,521,190)	82,982,292
Provision for off-balance sheet items	-	-
Total	70,150,880	415,376,868
37.a Consolidated provision for loans & advances		
Provision for classified loans & advances	126,932,081	333,887,318
Provision for unclassified loans & advances	(7,729,766)	(1,492,742)
Provision for diminution in value of investments	(48,324,978)	83,521,449
Provision for off-balance sheet items	-	-
Total	70,877,337	415,916,025
38 Provision for tax		
Provisions for current tax has been made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provisions of The Income Tax Ordinance, 1984 and amendments made thereto. The current tax rate for the Company is 40% on taxable income. Adequate provision has been made for disputed tax against which appeal has been made and decision is pending.		
Provision for current tax		
Opening balance	655,279,245	605,279,245
Add: Provision made during the year	2,000,000	50,000,000
Less: Settlement during the year	-	-
Closing balance	657,279,245	655,279,245

	2020 BDT	2019 BDT
38.1 Provision for deferred tax		
Opening balance	(6,700,381)	(6,803,023)
Add: Provision made during the year (Note-38.2)	(2,211,202)	102,642
Less: Deferred tax no more required-transferred to current tax	-	-
Less: Settlement during the year	-	-
Closing balance	(8,911,583)	(6,700,381)

Deferred tax is provided using the balance sheet method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes as per International Accounting Standard (IAS) 12: "Income Taxes".

38.2 Deferred tax expense/(income)		
Change in Deferred Tax Liability	11,232	280,982
Change in Deferred Tax Asset	(2,222,434)	(178,340)
	(2,211,202)	102,642

38.a Consolidated provision for tax		
Opening balance	823,616,510	760,535,754
Add: Provision made during the year	19,556,695	63,175,944
Add: Deferred tax during the year	(2,412,126)	(95,188)
	17,144,569	63,080,756
Closing balance	840,761,079	823,616,510

39 Earnings per share (EPS)

Earnings Per Share as shown in the face of the Profit and Loss Account is calculated in accordance with International Accounting Standard (IAS) 33: "Earnings Per Share".

Basic Earnings Per Share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)	(88,630,465)	26,209,249
Number of ordinary shares outstanding during the year	173,777,068	130,800,000
Basic earnings per share (in BDT)	(0.51)	0.20

No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.

39.a Consolidated Earnings per share (EPS)

Earnings Per Share as shown in the face of the Profit and Loss Account is calculated in accordance with International Accounting Standard (IAS) 33: "Earnings Per Share".

Basic earnings per share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)	(85,309,386)	34,942,529
Number of ordinary shares outstanding during the year	173,777,068	130,800,000
Basic earnings per share (in BDT)	(0.49)	0.27

No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.

40 Related party transactions

Parties are considered to be related, if one party has the ability to control the other party or exercise significant influence over the other party, in making financial and operational decisions and include associated companies with or without common directors and key management positions. The Company has entered into transactions with other entities in the normal course of business that fall within the definition of related party as per International Accounting Standards- 24 ' Related Party Disclosure'. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time of comparable transactions with other customers of similar credentials and do not involve more than normal risk.

Name of the parties	Nature of Loan/Lease	Nature of Transactions	Outstanding Balance 2020 BDT	Outstanding Balance 2019 BDT
AB Bank Ltd.	Sponsor Shareholder	STD/SND Account	3,057	3,057
AB Bank Ltd.	Sponsor Shareholder	Term Deposit	100,000,000	200,000,000
Bank Asia Ltd.	Sponsor Shareholder	STD/SND Account	42,339,131	98,818,916
BRAC Bank Limited	Sponsor Shareholder	Term Deposit	840,000,000	1,000,000,000
BRAC Bank Ltd.	Sponsor Shareholder	Current Account	-	2,775,341
Janata Bank Ltd.	Sponsor Shareholder	STD/SND Account	4	1,004
Janata Bank Ltd.	Sponsor Shareholder	Term Deposit	200,000,000	200,000,000
Mutual Trust Bank Limited	Sponsor Shareholder	Overdraft	500,252,252	413,882,996
ONE Bank Ltd.	Sponsor Shareholder	STD/SND Account	-	28,962
Sonali Bank Limited	Sponsor Shareholder	Call Loan	-	120,000,000
Sonali Bank Limited	Sponsor Shareholder	Term Deposit	190,000,000	200,000,000
Sonali Bank Ltd.	Sponsor Shareholder	STD/SND Account	-	82,588
Southeast Bank Ltd.	Sponsor Shareholder	Current Account	-	3,560
Southeast Bank Ltd.	Sponsor Shareholder	SND Account	1,771,278	128,116
The City Bank Ltd.	Sponsor Shareholder	STD/SND Account	2,383	142,402
The City Bank Ltd.	Sponsor Shareholder	Term Deposit	850,000,000	850,000,000

41 Operating Segment Report

Amount in BDT

Segment Revenue and profit	For the year 2020			
	Core Financing Business	Brokerage House Business	Merchant Banking Business	Total Business as a Group
Revenue income				
Net interest income	174,582,917	4,694,780	14,629,474	193,907,171
Investment income	25,856,102	11,484,084	6,351,377	43,691,563
Commission and brokerage	-	79,208,518	13,020,163	92,228,681
Other operating income	30,089,753	1,879,120	1,651,102	33,619,975
Inter-segment revenue	(58,029,938)	-	-	(58,029,938)
Total Segment Revenue (A)	172,498,834	97,266,502	35,652,116	305,417,452
Other operating expenses	162,081,063	19,188,904	32,309,496	213,579,463
Major non-cash expenses				
Depreciation	29,108,558	1,820,434	166,539	31,095,531
Provision for future losses	70,150,880	726,457	-	70,877,337
Inter-segment expense adjustment	-	57,776,993	252,945	58,029,938
Total Segment Expense (B)	261,340,501	79,512,788	32,728,980	373,582,269
Reportable segment profit before tax (A-B)	(88,841,667)	17,753,714	2,923,136	(68,164,817)

Revenue and profit	For the year 2019			
	Core Financing Business	Brokerage House Business	Merchant Banking Business	Total Business as a Group
Revenue income				
Net interest income	729,747,062	27,225,105	15,919,455	772,891,622
Investment income	29,044,925	15,591,785	(2,040,589)	42,596,121
Commission and brokerage	-	49,995,949	5,766,535	55,762,484
Other operating income	16,252,526	550,267	383,238	17,186,031
Inter-segment revenue/interest expense _adjustment	(67,576,526)	-	-	(67,576,526)
Total Segment Revenue (A)	707,467,988	93,363,106	20,028,639	820,859,732
Other operating expenses	201,517,964	8,192,406	13,254,828	222,965,198
Major non-cash expenses				
Depreciation	14,261,265	1,922,585	194,850	16,378,700
Provision for future losses	415,376,868	539,157	-	415,916,025
Inter-segment expense Adjustment	-	63,668,220	3,908,306	67,576,526
Total Segment Expense (B)	631,156,097	74,322,368	17,357,984	722,836,449
Reportable segment profit before tax (A-B)	76,311,890	19,040,738	2,670,655	98,023,283

Segment assets and liabilities	For the year 2020			
	Core Financing Business	Brokerage House Business	Merchant Banking Business	Total Business as a Group
Segment Assets				
Total Assets	20,044,098,810	2,472,166,982	845,567,364	23,361,833,156
Inter-segment assets	(573,761,153)	(573,761,153)	-	(1,147,522,306)
Total Segment Assets	19,470,337,657	1,898,405,829	845,567,364	22,214,310,850
Segment Liabilities				
Total liabilities	17,939,936,771	1,347,476,336	272,529,322	19,559,942,429
Inter-segment liabilities	(573,761,153)	(573,761,153)	-	(1,147,522,306)
Total Segment Liabilities	17,366,175,618	773,715,183	272,529,322	18,412,420,123
Total Segment Equity	2,104,162,039	1,124,690,646	573,038,042	3,801,890,727

Segment assets and liabilities	For the year 2019			
	Core Financing Business	Brokerage House Business	Merchant Banking Business	Total Business as a Group
Segment Assets				
Total Assets	23,417,061,404	2,446,226,793	911,820,958	26,775,109,155
Inter-segment assets	(588,148,050)	(573,787,454)	(14,360,592)	(1,176,296,096)
Total Segment Assets	22,828,913,354	1,872,439,339	897,460,366	25,598,813,059
Segment Liabilities				
Total liabilities	21,225,509,980	1,322,609,207	341,030,933	22,889,150,120
Inter-segment liabilities	(588,148,046)	(573,787,454)	(14,360,592)	(1,176,296,092)
Total Segment Liabilities	20,637,361,934	748,821,753	326,670,341	21,712,854,028
Total Segment Equity	2,191,551,420	1,123,617,586	570,790,025	3,885,959,032

42 Board meetings

During the year total number of Board Meetings was 06, which was held at the following dates:

Serial Number	No. Meeting	Date of Meeting
1	224th Meeting	29-Jan-20
2	225th Meeting	22-Jul-20
3	226th Meeting	29-Sep-20
4	227th Meeting	23-Nov-20
5	228th Meeting	17-Dec-20
6	229th Meeting	29-Dec-20

43 Disclosure on Audit committee

a. Particulars of audit committee

In pursuance of the directives of Bangladesh Bank vide DFIM circular no 10 dated 18 September 2005 & DFIM circular No. 13 dated 26 October 2011, the Board of Directors in its meeting Constituted an Audit Committee. Presently, the Audit Committee members are:

Name	Status in the board	Status in the committee	Other engagement
1. Mr. Syed Mahbubur Rahman	Director	Chairman	CEO & Managing Director, Mutual Trust Bank Limited
2. Mr. Md. Abdus Salam Azad	Director	Member	CEO & Managing Director, Janata Bank Limited
3. Mr. Md. Abul Hossain	Director	Member	Managing Director, ICB
4. Mr. Choudhury Moshtaq Ahmed	Director	Member	Managing Director, National Bank Limited
5. Mr. Md. Monzur Mofiz	Director	Member	AMD & Head of Business, ONE Bank Limited
6. Mr. Kamal Uddin Ahammed	Director	Member	Director, Eastland Insurance Company Limited

The company Secretary of IIDFC Limited is acting as the secretary of the Committee

b. Meetings held by the committee during the year

Serial Number	No. Meeting	Date of Meeting
1	38th Meeting	25-Aug-20
2	39th Meeting	29-Sep-20
3	40th Meeting	1-Dec-20
4	41st Meeting	30-Dec-20

c. In the meeting amongst other the committee has discussed the following issues during the year 2020

- i) The audit committee reviewed the Financial Statements for the year ended 31 December 2019.
- ii) Reviewed and discussed the Management Letter provided by the external auditor M/s. Hoda Vasi Chowdhury & Co. for the year ended 31 December 2019 on the annual audit of Financial Statements of IIDFC Limited.
- iii) Reviewed and discussed the Bangladesh Bank inspection report on Internal Control and Compliance and management's response to thereon.
- iv) Reviewed and discussed the Bangladesh Bank detailed Inspection Report 2018 and management's response to the report.
- v) Reviewed various reports like stress testing, Basel, Risk Management Paper etc. and all reports provided by ICC Department.
- vi) Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and status of compliance thereof.
- vii) The status of recovery of classified loan and providing the necessary instruction to the management to reduce NPL.
- viii) Reviewed financial performance of IIDFC all over the year and recommended to take necessary action for improving performance of the company.

44 Others Disclosure

44.1 Un-acknowledged debt

The Company has no claim against it which has not been acknowledged as debt at the balance sheet date.

44.2 Employees' information

A total number of 136 employees were employed in IIDFC as of 31 December 2020. All the employees received salary more than BDT 36,000.00 p.a. during the period 2020.

44.3 Written-off of accounts

During the year under review, total two loans & advances were written-off having outstanding of BDT. 69,770,310. Again BDT 128,718,575 was written-off in the corresponding previous years.

44.4 Subsequent events

No subsequent events are occurred after the balance sheet date.

44.5 Directors' responsibility statement

The Board of Directors take the responsibility for the preparation and presentation of these financial statements.

44.6 Date of authorization for issue

The consolidated financial statements as well as separate financial statements were authorized for issue by the Board of Directors on its meeting held on 02/12/2021.

45 General Disclosure

- 45.1 The figures appearing in this financial statements have been rounded off to the nearest integer.
- 45.2 Last year's figures have been rearranged wherever it is found necessary to conform the current year's presentation.

Industrial and Infrastructure Development Finance Company Limited

Fixed Assets Schedule As at 31 December 2020

Annexure - 1

Serial No.	Particulars	COST				DEPRECIATION				Net Book Value as at 31 December 2020	
		Balance as at 1 Jan 2020	Additions During the Year	Adjustment during the year	Balance as at 31 December 2020	Rate	Balance as at 1 Jan 2020	Charged during the year	Adjustment during the year		Balance as at 31 December 2020
1	Motor Vehicles	21,666,245	-	1,370,130	20,296,115	20%	14,042,819	3,271,413	1,370,130	15,944,102	4,352,013
2	Furniture & Fixtures	32,514,991	1,761,257	-	34,276,248	10%	14,695,668	2,968,291	-	17,663,959	16,612,289
3	Office Equipments	46,468,038	316,756	-	46,784,794	18%	34,208,946	3,720,373	-	37,929,319	8,855,475
4	Right-of-use asset	-	60,618,988	-	60,618,988	-	-	17,894,505	-	17,894,505	42,724,483
	As at 31 December 2020	100,649,274	62,697,001	1,370,130	161,976,145		62,947,433	27,854,582	1,370,130	89,431,885	72,544,260
	As at 31 December 2019	95,018,030	12,949,034	7,317,790	100,649,274		58,376,997	11,163,944	6,593,508	62,947,433	37,701,841

Serial No.	Particulars	COST				AMORTISATION				Net Book Value as at 31 December 2020	
		Balance as at 1 Jan 2020	Additions During the Year	Adjustment during the year	Balance as at 31 December 2020	Rate	Balance as at 1 Jan 2020	Charged during the year	Adjustment during the year		Balance as at 31 December 2020
1	Computer Software	13,029,967	101,504	-	13,131,471	18%	8,915,627	1,253,976	-	10,169,603	2,961,868
	As at 31 December 2020	13,029,967	101,504	-	13,131,471		8,915,627	1,253,976	-	10,169,603	2,961,868
	As at 31 December 2019	8,907,176	4,122,791	-	13,029,967		7,155,471	1,760,156	-	8,915,627	4,114,340

Industrial and Infrastructure Development Finance Company Limited

Consolidated Fixed Assets Schedule As at 31 December 2020

Annexure - 1.a

Consolidated Fixed assets including premises, furniture & fixtures

Serial No.	Particulars	COST				DEPRECIATION				Net Book Value as at 31 December 2020	
		Balance as at 1 Jan 2020	Additions During the Year	Adjustment during the year	Balance as at 31 December 2020	Rate	Balance as at 1 Jan 2020	Charged during the year	Adjustment during the year		Balance as at 31 December 2020
1	Motor Vehicles	23,274,386	-	1,370,130	21,904,256	20%	15,650,954	3,271,413	1,370,130	17,552,237	4,352,019
2	Furniture & Fixtures	45,903,086	2,823,183	113,355	48,612,914	10%	26,508,961	4,380,321	108,821	30,780,461	17,832,453
3	Office Equipments	64,283,392	1,453,399	-	65,736,791	18%	50,555,263	4,295,317	-	54,850,580	10,886,211
4	Right-of-use asset	-	60,618,988	-	60,618,988	-	-	17,894,505	-	17,894,505	42,724,483
	As at 31 December 2020	133,460,864	64,895,570	1,483,485	199,872,949		92,715,178	29,841,556	1,478,951	121,077,783	75,795,166
	As at 31 December 2019	128,571,106	14,626,435	9,731,375	133,466,166		88,482,654	13,246,547	9,008,722	92,720,479	40,745,686

Figures in Taka

Intangible Asset

Serial No.	Particulars	COST				AMORTISATION				Net Book Value as at 31 December 2020	
		Balance as at 1 Jan 2020	Additions During the Year	Adjustment during the year	Balance as at 31 December 2020	Rate	Balance as at 1 Jan 2020	Charged during the year	Adjustment during the year		Balance as at 31 December 2020
1	Computer Software	16,196,798	101,504	-	16,298,302	18%	12,082,448	1,253,976	-	13,336,424	2,961,878
	As at 31 December 2020	16,196,798	101,504	-	16,298,302		12,082,448	1,253,976	-	13,336,424	2,961,878
	As at 31 December 2019	12,074,007	4,122,791	-	16,196,798		10,287,460	1,794,988	-	12,082,448	4,114,350

Figures in Taka

Industrial and Infrastructure Development Finance Company Limited

Highlights

Annexure-2

Sl.	Particulars	Amount in BDT	
		2020	2019
1	Paid-up capital	1,737,770,680	1,308,000,000
2	Total capital	2,104,162,039	2,191,551,424
3	Capital surplus	366,391,359	883,551,424
4	Total assets	20,044,098,810	23,417,061,404
5	Total deposits	10,213,898,344	12,710,348,266
6	Total leases, loans and advances	15,272,371,452	18,908,807,903
7	Total contingent liabilities and commitments	203,549,122	203,549,122
8	Credit deposit ratio	149.53%	148.77%
9	Percentage of classified loans against total loans and assets	23.42%	9.06%
10	Profit after tax and provision	(88,630,465)	26,209,249
11	Amount of classified loan during year	3,576,185,480	1,713,393,210
12	Provisions kept against classified loans	671,366,104	616,519,312
13	Provision surplus against classified loans	0	125,000
14	Cost of fund	8.80%	10.74%
15	Interest earnings assets	15,938,966,197	19,580,740,760
16	Non- interest earnings assets	4,092,844,793	3,836,320,644
17	Return on investment (ROI)	12.6%	13.0%
18	Return on assets (ROA)	-0.44%	0.33%
19	Income from investment	1,977,356,868	2,525,954,400
20	Earnings per share	(0.51)	0.20
21	Net Income per share	(0.51)	0.20
22	Price earnings ratio	N/A	N/A